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Acquisition

**AIR FORCE GOVERNMENT-WIDE
PURCHASE CARD PROGRAM**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction provides the flexibility to apply acquisition reform principles, encourages the use of commercial practices to the maximum extent practicable, and promotes business process improvements in Air Force contracts. Helpful guidance in meeting the stated requirements of this AFI is located on the SAF/AQC Contracting Toolkit, Part 13 <http://www.safaq.hq.af.mil/contracting/>. This instruction prescribes AF Form 4009, **Government Purchase Card Fund Cite Authorization**. **Records Disposition:** Dispose of all records created as a result of processes prescribed in the publication in accordance with AFMAN 37-139, *Record Disposition Schedule*.

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Chapter 1

PURCHASE CARD PROGRAM OVERVIEW

1.1. Introduction. The General Services Administration (GSA) has awarded a multiple award schedule contract for government-wide commercial purchase card service. The contractor (hereinafter referred to as “the Bank”) provides commercial purchase cards and associated services to military members and federal civilian employees to pay for official government purchases.

1.1.1. The procedures of this publication do not apply to Nonappropriated Fund Instrumentalities (NAFI) purchases. NAFI users must use the government purchase card in accordance with procedures established by the Air Force Services Agency (AFSVA). (See Air Force Instruction {AFI} 34-275) Surveillance responsibility and inspection will be performed by AFSVA.

1.1.2. These procedures supplement the cardholder and billing official guides provided by the Bank. In the event that there is a conflict between the Air Force Government-wide Purchase Card procedures and the guides provided by the Bank, the Air Force Government-wide Purchase Card procedures take precedence. The terms and conditions of the contract between GSA and the Bank take precedence over any other procedures.

1.2. Supplements. MAJCOMs shall send proposed supplements to this instruction to SAF/AQCO for approval before publishing. A MAJCOM review and approval document of the proposed supplement must be included in the submission to SAF/AQCO. Any proposed supplement originating at a level 4 activity should be forwarded through the appropriate MAJCOM (level 3) Program Coordinator for review and approval prior to submission to SAF/AQCO for approval.). The content of any supplement must be consistent with the provisions of this AFI.

1.3. Waivers. Requests to waive this instruction must be approved by SAF/AQCO. Organizations must submit waiver requests through their MAJCOM purchase card Level 3 Program Manager for comment and forwarding to SAF/AQCO.

1.4. Program Structure. The Air Force Government-wide Purchase Card program is based on a six-level reporting hierarchy.

1.4.1. Level 1: The first reporting level of the reporting hierarchy represents the Department of Defense as a whole.

1.4.2. Level 2: The second reporting level identifies the military service. The Air Force Level 2 is SAF/AQCO, 1060 Air Force Pentagon, Washington, DC 20330-1060. A SAF/AQCO staff member is designated as the Agency Program Coordinator (APC) for the USAF Government Purchase Card Program and serves as a liaison among Air Force organizations, the Bank, the DoD Purchase Card Program Management Office, and the General Services Administration. Primary responsibilities include Air Force purchase card policy, statistical reporting, and program support for OSD, Air Staff, and field organizations.

1.4.3. Level 3: The third reporting level identifies the MAJCOM/Agency. Primary responsibilities include implementation, administration, and monitoring of the MAJCOM purchase card program subject to Air Force policies, liaison among SAF/AQCO, the Bank, MAJCOM staff, and field organiza-

tions, as well as statistical reporting and program support to MAJCOM and installation program focal points.

1.4.4. Level 4: Installation Purchase Card Program Manager (Note: The General Services Administration refers to this position as the Agency/Organization Program Coordinator {A/OPC}). The fourth reporting level identifies the base installation/organization program. Primary responsibilities are program implementation, administration, and monitoring at the installation level, and serving as liaison among the MAJCOM focal point, the Bank, DFAS, and installation organizations.

1.4.5. Level 5: The fifth reporting level identifies the particular organization (by billing official). The Bank assigns Level 5 identifiers under each Level 4 account. Primary responsibilities include purchase card administration and surveillance for all cardholders within the billing official account.

1.4.6. Level 6: The sixth reporting level identifies the individual cardholder. Primary responsibilities include reconciliation and certification of monthly purchases made by the cardholder in support of organizational requirements and funding availability.

1.5. Field Communication. Base level Program Coordinators shall first direct questions or issues to their MAJCOM purchase card focal point for forwarding, if appropriate, to the SAF/AQCO Program Coordinator.

Chapter 2

AUTHORIZED AND UNAUTHORIZED USAGE OF THE GOVERNMENT PURCHASE CARD PROGRAM

2.1. Authorized Use of the Government Purchase Card.

2.1.1. Without exception, the purchase card shall only be used to pay for authorized US government purchases. **The use of the card constitutes expenditure of appropriated funds. The advent of the purchase card did not abrogate the propriety of funding rules established by statute, Congressional direction, Comptroller General Decisions and Air Force policy. As a general rule, if appropriated funds were not legally available for a procurement before the advent of the purchase card, they are not legally available now.** NOTE: Some organizations have both appropriated and non-appropriated funds available for use. Separate cardholder accounts must be established to segregate these fund types. All organizations should consult with the local Financial Services Office (FSO) and/or legal office if any doubt exists regarding proper use of appropriated funds.

2.1.2. The purchase card may be used to purchase authorized supplies, equipment, and non-personal services up to the micropurchase threshold (currently \$2500). Purchases under \$2500 are exempt from the laws and required clauses of the Competition in Contracting Act, Buy American Act/Economy Act, Service Contract Act, and the Small Business Set-Aside Program. Non-personal services are further divided into recurring and non-recurring services. Recurring services are those that are performed at regular intervals and have a demand that can be predicted on an annual basis predicated on actual use (i.e.: janitorial services, laundry services) or whose demand can be predicted based on a projected average use (i.e. maintenance services).

The purchase card may be used as a purchase tool up to the micropurchase limit of \$2500 an occurrence. Normally, if the requirement is for on-going repetitive services that exceed \$2500 a year, the best solution is to obtain contractual coverage for the service through the Contracting Squadron. Splitting a requirement into individual transactions in order to use the purchase card is not permitted. See paragraph **4.3.5.2.1.** on splitting of requirements. However, in those cases where monthly services do not exceed \$2500 per month, the flexibility afforded by the purchase card should be considered. In determining whether to use the purchase card or to seek contractual coverage, business advice shall be sought from the Contracting Squadron and the following factors, as well as any other relevant facts should be considered: 1) Is there an existing Blanket Purchase Agreement, Indefinite Delivery Indefinite Quantity or other type of contract already in place that provides coverage for this service? 2) Is this a service that has a stable requirement over an extended period(i.e: beyond the current twelve month period)? 3) Is it more expensive to use the card than to establish a Blanket Purchase Agreement, Indefinite Delivery Indefinite Quantity Contract or other existing contract (i.e. GSA contract)? 4) Does writing a contract provide necessary safeguards to the parties (i.e.: task descriptions, performance work statement, deliverables called out by Contractor Data Requirements List) and 5) Is the government liable for cancellation charges or for future payments if the service is suddenly discontinued by the government? If the answers to all of these questions are “no” then the purchase card may be used for these monthly services. If the answer is “yes” to any of the questions, a contract should be written for the services.

Non-recurring services involve one-time or irregular services (i.e. foreign language translation services not needed regularly). These “ad-hoc” services may be purchased up to the \$2500 limit using

the purchase card whenever a requirement occurs. Consult the Installation Purchase Card Program Manager if clarification is needed. Above the micropurchase threshold, the card shall not be used except as the ordering mechanism against Blanket Purchase Agreements (BPAs) or Indefinite Delivery Indefinite Quantity (IDIQ) contracts, including GSA schedules, as specified in paragraph 2.1.2.3. below.

2.1.2.1. Warranted Contracting Officers and other designated contracting personnel may use the purchase card as a method of payment on a contractual document up to the warrant limit of the Contracting Officer. Cardholders in contracting organizations must comply with the requirement of this instruction for establishing, funding, reconciling, and approving card purchases even when the card is used as a payment method on a contractual document. Purchases greater than \$2,500 must incorporate required clauses and data or processes mandated by statute, executive order, policy, or regulation and comply with all FAR competition, documentation and reporting requirements.

2.1.2.2. The Government-wide Purchase Card may be used to purchase from the Army and Air Force Exchange Service (AAFES) and all other DOD Nonappropriated Fund Instrumentalities (NAFIs). These sources are not mandatory or preferred in any respect and should be considered as potential sources of supply after applying good judgement and “best value” techniques to each purchase. Micropurchases should be distributed equitably among qualified suppliers, in accordance with FAR 13.106-1(a), with special consideration paid to supporting local, small, and small disadvantaged businesses. With the exception of accounts specifically funded with non-appropriated funds, use the purchase card **only for purchases authorized with appropriated funds** (AFI 65-106, and 65-601, Vol. 1). If appropriated funds are not authorized for items available from NAFIs, the Government-wide Purchase Card must not be used to purchase those items or services.

2.1.2.3. If authorized to make purchases above \$2,500, cardholders not in contracting organizations will use the government purchase card only to obtain items from pre-priced contracts and agreements (e.g., Federal Supply Schedule (FSS), BPAs, Indefinite Delivery/Indefinite Quantity contracts etc.). In this case, authority to use the purchase card will not exceed \$25,000 per transaction. When purchasing from pre-priced contracts/agreements, cardholders must review prices on at least three contracts/agreements and select the best value item for their requirements. A record of this review will be kept with the cardholder’s purchase card documentation. The single purchase limit when purchasing under the Javits-Wagner-O’Day (JWOD) remains \$2,500 if the purchase is made on the open market. If the items or services are available on pre-priced contracts or agreements with the above organizations or their dealers then the single purchase limit is \$25,000 for these items as detailed above.) Purchases made on the open market from Federal Prison Industries (UNICOR) may be made up to \$25,000. Purchases from FPI are considered inter-governmental transfers and are not subject to the \$2,500 single purchase limit.

2.1.2.4. Purchases with the Defense Automated Printing Services (DAPS) are authorized up to \$100,000.

2.1.2.5. Government-wide Purchase Cards should be used to pay the Civilian Personnel Management Service, Office of Complaint Investigations (CPMS-OCI) their flat fee charge for Equal Employment Opportunity (EEO) investigations.

2.2. Purchases Requiring Authorization: Requests for the following supplies, equipment or non-personal services require the cardholder to contact the specified controlling/servicing organization before

making the purchase. Except where noted below, oral, telephonic approval, with the identity of the authorizing official entered in the purchase card purchase log, is sufficient.

2.2.1. Hazardous and Potentially Hazardous Materials. (e.g. acetone, alcohol, benzol, ether, gasoline, naphtha, toner for printers, etc.) Authorizing Official: Base Hazardous Materials Management Process (HMMP) Team.

No hazardous or potentially hazardous material may be purchased by any means or brought onto an installation without full compliance with the prior authorization, approval, and reporting requirements specified in AFI 32-7086 and any MAJCOM or local supplements.

2.2.2. Communication and computer equipment and software. Authorizing Official: Installation Communications unit (See paragraph 4.3.8.). Proper approval through the Communication and Information Requirements Process (AFI 33-103) must be obtained. This is required to ensure configuration control and compatibility with Air Force and joint systems.

2.2.3. Telephone instruments, cell phones, and expansion plug-in-cards. Authorizing Official: Installation Communications unit. Proper approval through the Communications and Information Requirements Process (AFI 33-103) must be obtained. This is required to ensure configuration control and compatibility with Air Force and Joint Systems. This does not include secure telephones. Secure telephones cannot be purchased direct from vendors using the Government-wide Purchase Card. All secure phones must be requisitioned through base supply.

2.2.4. Medical Items. Authorizing Official: Base Medical Logistics Officer. Medical item purchases will be authorized by the Medical Dental Division MDD), an Air Force Working Capital Fund, funded and processed through the medical logistics computer system (MEDLOG) to maintain line item visibility, support Food and Drug Administration (FDA) recall efforts and maintain required audit trails for regulated medical material unless approved by the Medical Logistics Officer for the requiring organization to purchase.

2.2.5. Paid Advertisements. Authorizing Official: Head of Contracting Activity (HCA). Appropriate authority in FAR 5.502 is needed prior to purchase. (Approval authority may be delegated in writing to wing commanders by HCA for purchases less than \$2,500).

2.2.6. Visual information, electronic digital imaging and video equipment and services. Authorizing Official: Base Visual Information Manager (BVIM). (AFI 33-117)

2.2.7. Test, Measuring, & Diagnostic Equipment (TMDE). Written approval from AFMETCAL DET 1 is required prior to purchasing any TMDE (those governed by AF Technical Order 00-20-14) and for items not specifically authorized within appropriate allowance standards. In addition, card purchases involving calibration support from non-organic repair sources must be approved in writing by AFMETCAL DET 1 prior to any work being accomplished. Written approval is to include calibration accomplished in conjunction with repair. Please refer to technical order 00-20-14 for guidance. Authorizing Official: Precision Measurement Equipment Laboratory (PMEL). Prior to purchase of TMDE, coordination must be obtained from the PMEL to: a) verify there is no available existing TMDE that can be used to satisfy the requirements, and b) verify any new item for TMDE can be calibrated by their facility.

2.2.8. Rental/lease of material handling equipment/fleet motor vehicles. Authorizing Official: Installation Chief of Transportation. (Para 2.4.2. provides information on vehicle rental in connection with official travel or temporary duty).

2.2.8.1. Rental/lease of materials handling equipment or aircraft support equipment (e.g., aircraft staircases; baggage handling equipment) when required to sustain operations at deployed locations. Authorizing Official: Appropriate Group/Deployed Commander approval required.

2.2.9. Centrally managed items related to weapon systems. Authorizing Official: Weapon System's Program Director (SPD). If a part is back ordered and the estimated delivery date is unacceptable, the following procedures can be used if the requirement meets the purchase card threshold of \$2500 or less:

2.2.9.1. A request will be submitted to the applicable SPD for local purchase authority and a qualified source.

2.2.9.2. Approved purchases will use only the Government-wide Purchase Card that is funded with flying hour money. Element of Expense Identification Code (EEIC) 619.

2.2.9.3. Cardholders must cancel the original requisition through Base Supply. Base Supply or Depot Supply must capture demand data by processing DOC with TEX Code 9.

2.2.10. Construction. Authorizing Official: Base Civil Engineer. Construction is limited to **\$2,000** and requires an approved AF Form 332, **Base Civil Engineer Work Request.** All requirements will be processed through the Base Civil Engineer work order approval process.

2.2.11. Civil engineer materials and real property (installed equipment). Authorizing Official: Base Civil Engineer.

2.2.12. Individual Equipment/Organizational Clothing Items. Cardholders may purchase all individual equipment/organizational clothing items using the AF Government-wide Purchase Card. Suggested sources are NIB/NISH operated Individual Equipment Elements in Supply, DLA's ASCOT system, or direct to vendor. For direct vendor purchases, cardholder must ensure that the vendor meets all requirements outlined in AFI 36-2903, Dress and Personal Appearance of Air Force Personnel.

2.2.13. Morale, Welfare, and Recreation Items. For gym equipment, (Federal Supply Class 7830), written approval prior to purchase must be granted by Services Commander and Group Commander to be consistent with allowance standard 410 preface and AFIs 34-204 and 34-266. For intramural sports uniforms, written approval from Services Commander and requesting organization commander is required prior to purchase. The uniforms must not be personalized with individual names or nicknames and must be returned to the unit following the season or when the member leaves the team. Consult AFI 65-106, paragraph 10-11 and AFI 65-601, Volume 1. Authorizing Official: local Services Squadron/Division.

2.2.14. Bird Aircraft Strike Hazard (BASH) Program. The requesting unit for BASH will coordinate with the installation Munitions Accountable Systems Officer (MASO) and OO-ALC/WM, Commercial Off the Shelf (COTS) Munitions Program Manager, or Integrated Materiel Manager (IMM) prior to using the Government Purchase Card. The requestor shall have final written approval from OO-ALC/WM and follow the written COTS approval procedures in AFI 21-201 before purchase of the munitions item with the Government Purchase Card.

2.3. Purchases Requiring Coordination/Review

2.3.1. Non-expendable (budget code 9) equipment assets over the micropurchase threshold (\$2,500) that are purchased on existing contracts with the purchase card must have accountability records

established through Base Supply. Equipment custodians must contact Base Supply Equipment Management Element immediately upon receipt of the asset. For items under \$2,500, no formal Base Supply accountability is required (except items that are classified or sensitive). Accountability of items equal to or less than the micropurchase threshold is the responsibility of unit commanders. Unit commanders must establish a locally devised program that provides visibility and audit trail capability. This may include use of hand receipts and spreadsheets.

2.3.2. Repair Services for General Equipment. Before acquiring repair services, the cardholder will contact the resource advisor or Contracting Squadron to verify that the repair is not already covered by an existing preventative maintenance agreement. The name of the person contacted shall be entered on the purchase card log. In addition, consult the organization equipment custodian to ascertain whether repair may be covered under an existing warranty at no cost to the Air Force.

2.3.3. Books, periodicals and manuals. Specific guidance can be found in AFMAN 23-110, Vol 2, Part 2, Chapter 9. Generally, for books, periodicals, or manuals in direct support of Air Force mission requirements, coordinate with the Library to determine if central library funds are authorized and available locally. For non-mission essential materials, organizations are encouraged to check with the library prior to using the Government-wide Purchase Card.

2.3.4. Professional services. Contracting Squadron. Professional services are those services rendered by persons who are members of a particular profession or possess a special skill (e.g., accountants, lawyers, architects, engineers, physicians, dentists, etc.). State law may require that services rendered by these individuals be performed or approved by a person who is licensed, registered or certified to provide the service. Organizations should consult with the Contracting Squadron to ensure that there is not an existing contract providing the same services requested and to verify that such services are not of a personal services nature.

2.3.5. Purchase of business cards from The Lighthouse for the Blind, Inc., a Javits-Wagner-O'Day (JWOD) participating non-profit agency, is allowed by OSD if it is the same cost or less than private stock cards created on a personal computer and written approval is obtained from the Secretary of the Air Force delegable to subordinate management officials (General/Flag Rank officer or civilian member of the Senior Executive Service). Business cards may also be printed, using existing software and agency-purchased card stock, when the above referenced appropriate approving official determines an organization or position under his/her cognizance requires business cards in the performance of their official functions. Recruiting and liaison personnel listed in AFI 65-601, para 4.36.1. are authorized to have business cards commercially printed (including DAPS) by other than The Lighthouse for the Blind, Inc. without the approvals called for in this paragraph.

2.3.6. Payment For the Domestic Express Next Business Day Small Package Delivery Service Contract may be made using the Government-wide Purchase Card. Cardholders must coordinate with their Transportation Management Office (TMO) prior to setting up an account (currently FEDEX). If the purchase card is used without first setting up an account, units will be billed at the much higher commercial rate.

2.4. Unauthorized Use of the Government purchase card. The purchase card shall not be used (unless otherwise noted in exceptions) for the following purposes:

2.4.1. Cash Advances. Cash advances are **prohibited** under the purchase card program. Money orders are considered to be cash advances and shall not be purchased by cardholders to obtain items

from merchants who do not accept the purchase card. (See paragraph 3.6., Convenience Check Accounts).

2.4.2. Travel related purchases including: Rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus, and train tickets), purchase of meals, drinks, lodging, or other travel or subsistence costs associated with official government travel that will be reimbursed on a travel voucher. **EXCEPTION:** If the travel and per diem ARE NOT reimbursed directly to the government traveler by travel voucher, i.e., Reserve duty/exercise, Air Mobility air crews at ports where the cost of the lodging and meals are a **host unit expense**, costs may be paid by **host unit purchase cards**. **NOTE:** Subsistence items (not prepared meals) not associated with individual travel may be purchased with the purchase card from the commissary or commercial sources. Before going to a commercial source it must be determined that troop issue (Prime Vendor) and the commissary cannot support the requirement. Prepared meals for dignitaries may only be purchased with Official Representational Funds (ORF). For purchases of prepared meals, the purchase card can be used if a written determination is approved by the billing official that the official government travel card cannot be used to satisfy the requirement.

2.4.3. Rentals or leases of land or buildings exceeding 30 days.

2.4.4. Purchase of aviation, diesel, heating fuel, gasoline fuel or oil for aircraft and motorized vehicles. Packaged oil and lubricants needed to support base maintenance shops, however, may be purchased using the AF Government-wide Purchase Card. Otherwise, petroleum products will be purchased using the commercial credit cards procured and provided by the Defense Energy Support Center (DESC).

2.4.5. Repair of leased vehicles.

2.4.6. Purchase of major telecommunications systems such as Federal Telecommunications/Telephone System (FTS) 2000 or Defense Switched Network (DSN).

2.4.7. Purchases of hazardous/dangerous items such as explosives, munitions, toxins, and firearms. This specifically includes weapons, small arms, and ammunition. Exception: BASH Program, see paragraph 2.2.14.

2.4.8. Janitorial, grounds and maintenance services, or other repairs covered by contracts already written for these services on base. If uncertain whether contractual coverage exists or if there is an emergency which requires a card purchase, contact the base contracting office.

2.4.9. Printing, copying services, or copier services provided by commercial sources unless government support is unavailable. Cardholders shall contact DAPS or the local government printing/copying office and determine that printing support is unavailable and must receive authorization from the DAPS Manager in order to use a commercial printing source. Coordination with DAPS/local government printing office may be done by telephone and documented in the purchase log. The single purchase limit for purchase card use with DAPS is \$100,000. When DAPS is not available and authorization is received to use commercial printing sources, the threshold shall revert to \$2,500 per purchase. Splitting these requirements to stay under the \$2,500 limit is unauthorized.

2.4.10. Personal services Personal services contracts are contracts that, by its express terms or as administered, makes the contractor personnel appear, in effect, to be Government employees (e.g., consultants directly under Government supervision, temporary office help).

2.4.11. Construction services exceeding \$2,000 (Davis-Bacon Act).

2.4.12. Gifts (e.g. retirements, farewells). These include food/beverages for organizational functions (commander's call, picnics, parties, awards programs), promotional items for conferences, meetings, symposia (coins, mugs, coasters), and cash incentive awards. Flags may be purchased with unit funds for retirees. Note that light snacks may be purchased with the Government-wide Purchase Card by a hosting unit in conjunction with a conference. (See AFI 65-601 for a complete discussion on this subject and for more detailed guidance on unauthorized uses of appropriated funds.)

2.4.13. Ratification Actions. FAR procedures shall be followed.

2.4.14. Purchases of Controlled Cryptographic Items (CCI). The Government-wide Purchase Card cannot be used to purchase secure telephone instruments or CCI assets. These must be requisitioned through Base Supply to ensure proper accountability records are established.

2.4.15. Budget code 8 XD/XF Items. These cannot be purchased with the Government-wide Purchase Card.

2.4.16. Utility Services. This includes electric, gas, water, phone, waste removal and cable services. These services are typically consolidated base-wide and purchased through contracts that generally exceed \$2,500 a year. In addition, some utilities require payment in advance that is also prohibited with use of the purchase card. An exception, however, exists for units that are physically isolated from the base either in an offsite location (e.g. Air Force recruiting office) or located in a remote portion of the base (often non-contiguous) so as to not be part of the base infrastructure (e.g., a building or an annex to the base which is connected to another municipality's water supply). The card may be used to purchase these services provided the dollar amount does not exceed \$2,500 per fiscal year. An additional exception concerns cell phone service. As a rule, cell phone service should be purchased on a base-wide contract similar to other utilities. In locations where there is no base-wide service contract, individuals may pay their own cell phone bills using the card if the annual bill does not exceed \$2,500 (see paragraph 2.1.2.) and cardholders don't enter into agreements with cell phone companies that obligate the government to pay cancellation fees if the service is discontinued. For more information on local policies, contact the Contracting Squadron. The Communications Squadron remains the approval authority for the purchase of cell phones and may wish to track cell phone expenditures. Coordinate with that office at the time of phone purchase to establish an acceptable reporting mechanism.

2.5. Use of Government Purchase Card by OCONUS Units

2.5.1. Air Force members at overseas bases will use the purchase card when feasible and cost effective. OCONUS cardholders must use the required sources of supply, (e.g. NIB/NISH, FPI). If required sources cannot fill a requirement, consideration should also be given to placing orders against existing contracts when those contracts offer the best value. If items cannot be obtained from either mandatory sources or existing contracts, cardholders may purchase from CONUS vendors or locally from host country sources. All cardholders must conform to procedures in paragraphs 2.1. through 2.4.13. Overseas cardholders who receive authorization and training from their Installation Purchase Card Program Manager may use the Government-wide Purchase Card to make commercial purchases up to \$25,000 if the purchase is made outside the United States from vendors located outside the United States for use outside the United States in accordance with DFARS 213.301. If purchases are made from CONUS vendors for use overseas, the micropurchase threshold of \$2,500 remains in effect. If all avenues for procuring needed materials through local sources are exhausted

(efforts to purchase locally shall be documented in cardholder files), then the cardholder must do the following:

2.5.1.1. Cardholder pays all transportation costs. Contact your local Traffic Management Office (TMO) for assistance regarding transportation requirements and/or instructions listed below prior to contacting the vendor.

2.5.1.2. When procuring from a CONUS vendor, transportation mode selection must be provided along with detailed packaging methods for safe transport to the final destination. Consider the US Postal Service (USPS), along with any other authorized carrier. Use of small package carriers will normally be via door-to-door mode from vendor to the ultimate overseas customer.

2.5.1.3. When procuring from a CONUS vendor, ensure that the final price includes all costs incurred for the mode of transportation selected to the destination country, customs import duties, and any other charges that may accrue. Consult DoD 4500.54-G, Foreign Clearance Guide, prior to the requisitioning action to ensure compliance with host nation customs requirements.

2.5.1.4. Ensure that shipments via the Defense Transportation System (DTS), Air Mobility Command/Military Sealift Command, include an Advance Transportation Control and Movement Document (ATCMD), a Transportation Control and Movement Document (TCMD), routing and marking instructions, and any other documentation the receiving base TMO deems necessary for the order to be moved successfully into and through the DTS.

2.5.1.5. Hardlift Areas. For those shipments being directed to an APOE/SPOE for onward movement via the Defense Transportation System (DTS), ensure the appropriate documentation is included (i.e. ATCMD, HAZMAT, and customs documents).

2.5.1.6. When routing via the DTS, ensure the Free on Board (FOB) destination is the applicable CONUS Aerial/Water port of embarkation.

2.6. Use of the Government-wide Purchase Card in Support of Contingency/ Exercise Operations. With the exception of the information contained in this section, all other Air Force Government-wide Purchase Card procedures apply to the use of the purchase card for contingency/exercise operations.

2.6.1. Warranted contingency contracting officers are authorized to use the purchase card in support of contingency/exercise operations. In many contingencies, however, purchase cards will not be acceptable to the host nation vendors or service providers and cash payments must be made. When setting up an account for deployment, each warranted Contingency Contracting Officer shall have a purchase card ready for use. The billing official in each case will be the Contracting Squadron Commander/Base Contracting Officer or his/her designated representative. When individuals participating in the operation are in temporary duty (TDY) status, the cardholder must document why he/she used the purchase card in lieu of his/her government official travel card to pay the commercial lodging facility and meals.

2.6.2. Cardholders who are not warranted Contingency Contracting Officers (CCOs) may continue to use their purchase cards when deployed with their unit only for exercises of short duration when their unit's funding will be used. The billing official in this situation will not change. An example of this type of situation is a Red Horse organization deploying for a two-week period and then returning to their home station. MDD funded cards for which purchases will be reissued through Mobile Medical Logistics Computer System (MOMEDLOG) may be used regardless of the duration of the deploy-

ment or exercise. In all cases, the cardholders and billing officials must ensure there are no delays in review and verification of the monthly statement provided by the Bank system.

2.6.3. Except for purchases of HAZMAT (2.2.1.) and weapons systems parts (2.2.9.), the coordination's delineated in paragraph 2.2., above, are not required for purchases made in support of contingency/exercise operations if the cardholder is not collocated with the authorizing official.

2.6.4. The unauthorized use of the card described under paragraphs 2.4.1., 2.4.3. through 2.4.8., 2.4.10. through 2.4.13. also applies to contingency operations.

2.6.5. A single purchase limit up to \$200,000 may be established for warranted Contingency Contracting Officers to cover written orders supported by a SF1449, *Solicitation/Contract/Order for Commercial Items* or DD1155, *Order for Supplies or Services*, awarded and performed outside the United States in support of a contingency operation (as defined in Title 10 U.S.C. 101 (a) (13)) or a humanitarian or peacekeeping operation (as defined in Title 10 U.S.C. 2302(7)). The monthly cardholder limit and the monthly office limit will be established by the base Contracting Squadron. Copies of SF1449/DD1155 will not be distributed to Finance and/or processed through BCAS by the CCO if the purchase card is used as the payment method. (Note: The single purchase limit for Contingency Contracting is currently \$25,000 for PURCHASE of items).

2.6.6. Monthly statements will be sent to the Contracting Squadron/office where the cardholder is permanently assigned. In cases where the cardholder is TDY for an extended period of time, the cardholder's monthly statement will be transmitted to the cardholder by the most expeditious means, (e.g., facsimile). The cardholder will reconcile the statement and transmit the statement by facsimile to the billing official within the established time period. The billing official will then comply with normal purchase card procedures.

2.6.7. If the Contingency Contracting Officer and the finance representative are deployed from different installations, a copy of the funding document shall be provided to the deployed finance representative for information only. The funding document shall be closely monitored by the cardholder, billing official, and the home station finance representative and shall be reconciled monthly.

2.6.8. A certified funding document is not required to obtain a master accounting code before purchase cards are requested for warranted Contingency Contracting Officers. However, funding is required prior to the use of the card.

2.6.9. When initiating a cardholder set-up application for a CCO who is not scheduled to deploy immediately, single purchase and monthly spending limits should be set at a low level. At the time the CCO is deployed, the limits can be raised on-the-spot by the Installation Purchase Card Program Manager calling the Bank's Customer Service department (1-800-254-9885) and requesting the change. When requesting an increase in spending limits, the limits should be set realistically based on the expected purchase volume for that account. Upon the return of the CCO to his or her home base, the spending limits should be lowered to the previous level.

2.7. Authorized Use of the Government Purchase Card by Geographically Separated Units (GSU): GSUs located more than 50 miles from the base-of-support are exempt from the coordination requirements in paragraph 2.2. above except for purchases of HAZMAT (2.2.1.) and weapons systems parts (2.2.9.). All other documentation and reconciliation requirements apply.

2.8. Authorized Use of the Purchase Card by Tenant Organizations: The Installation Purchase Card Program Manager will establish purchase card accounts for Air Force tenants when the tenant's funds are maintained by the installation's FSO. In cases where the tenant's funds are maintained by the cardholder's home station, the home station Installation Purchase Card Program Manager shall establish the accounts. The local Installation Purchase Card Program Manager shall provide purchase card training and provide courtesy surveillance audits for the home station. Copies of these audits will be forwarded to the home station for action as appropriate. The accounting and paying station must be the same.

2.9. Government Contractors: Government contractors shall not be issued the Government-wide Purchase Card.

2.10. Use of Government Purchase Card for Environmental Protection Agency (EPA) Guideline Items: The Resource Conservation and Recovery Act (RCRA) and Solid Waste Disposal Act require agencies to use recovered materials for EPA-designated items to the maximum extent practicable without jeopardizing the intended use of the item.

2.10.1. A list of EPA Guideline Items can be requested from the Environmental Management function at the Base Civil Engineer Office (CEV). Items include paper and paper products, vehicular products, construction and transportation products, park and recreation products, landscaping products, and non-paper office products.

2.10.2. Acquisition of EPA-designated items that do not meet the EPA minimum recovered material standards must be approved by the cardholder's squadron commander or equivalent. Compliance with the Affirmative Procurement Executive Order 13101 is required at all dollar levels. A written determination based upon one of the following reasons must be maintained by the cardholder organization for any orders above \$2,500.

2.10.2.1. Items containing EPA-recommended recovered content standards are not available within a reasonable period of time.

2.10.2.2. Items are only available at an unreasonable price. Include sufficient information to support price decision.

2.10.2.3. Items are not available from a sufficient number of sources to maintain a satisfactory level of competition. Include list of sources queried.

2.10.2.4. Items based upon technical verification fail to meet performance standards or specifications.

2.10.3. When conditions apply for repetitive purchases of the same item, an annual blanket determination, approved by the Contracting Squadron Commander/Chief of the Contracting office, may be approved and maintained by the cardholder's organization.

2.11. Use of the Government Purchase Card for Training, Education, and Tuition Assistance.

2.11.1. The purchase card shall be used by Education Office personnel to pay for non-government and/or government off-the-shelf training and education up to \$25,000 for an individual event or planned series of the same training event, activity, service, or course material. **(Note: Training monitors in other organizations may also be authorized to purchase non-government and/or off-the-shelf training using their own unit funds up to \$25,000 as well. They must be authorized the higher dollar limit by their Installation Purchase Card Program Manager, they must have**

an approved DD Form 1556, *Request, Authorization Agreement, Certification of Training and Reimbursement*, from the Education and Training Office PRIOR to making the purchase and must follow guidance contained here and issued by HQ USAF/DPDE). Off-the-shelf training is defined as training products and services regularly available to the general public and/or government personnel. The term includes training offered in catalogs or other printed materials by a college, university, professional association, consultant firm or organization. It does not include training specifically developed, designed, or produced to meet a requirement unique to an organization and/or program. An AF Form 9, *Request for Purchase*, submitted to the contracting office, is the proper document to purchase training designed specifically to meet a requirement particular to the organization.

2.11.1.1. The Government-wide Purchase card does not take the place of formal acquisition procedures for obtaining non-personal services (test facilitators, proctors, etc.). Requirements for recurring non-personal services that exceed \$2,500 per year (see Paragraph 2.1.2.) will be submitted to the contracting squadron for procurement by contract or BPA. The Base Education Office may request the contract or BPA cite "purchase card" as the payment mechanism.

2.11.2. Training and education program managers must review and approve requests for training according to statutory, legal, and administrative requirements, regardless of funding source. **The purchase card does not replace the DD 1556 or other appropriate training form as either a procurement and/or authorization document.** Prior to attending a training or education course or program, approval must be obtained via the use of the appropriate training form (i.e., DD 1556).

2.11.3. Training and education cardholder accounts will be established with a single purchase limit of \$25,000. All merchant category codes (MCCs) will be blocked except the following sources of training:

7392 - Management, Consulting and Public Relations Services

7399 - Business Services (Not Elsewhere Classified)

8220 - Colleges, universities, junior colleges, and professional schools

8241 - Correspondence schools

8244 - All business/secondary schools

8249 - Vocational/trade schools

8299 - Schools and Education Services (Not Elsewhere Classified)

8699 - Membership Organization (Not Elsewhere Classified)

9399 - Government Service (Not Elsewhere Classified)

2.11.4. The purchase card shall be used for payment of tuition assistance invoices that do not exceed a consolidated total of \$500,000.

2.11.4.1. The Education Services Flight Chief (ESFC) or designee will establish fund controls and submit an AF Form 4009, *Government Purchase Card Fund Cite Authorization*, for each account required. Tuition assistance funds are requested by the student using an AF Form 1227, *Authority for Tuition Assistance - Education Services Program*. The AF Form 1227 must be used as an approval document, but not as an obligation document.

2.11.4.2. The Education Service Flights will receive school invoices after each add/drop period for the applicable school term. The ESFC, or designee, will reconcile each invoice to ensure it is accurate and complete. Discrepancies will be questioned and corrected with the school prior to payment of any invoice. In addition to maintaining the cardholder's purchase log, a record of each transaction will be maintained with each invoice. Each record of transaction must include a statement certifying the accuracy and receipt of services. Once reconciled, the ESFC, or designee, will provide the purchase card account number to the school along with a copy of the reconciled invoice. Upon receipt of the monthly bank invoice, each Education Services Flight (ESF) cardholder will review the statement, reconcile it to the purchase log, sign it, and forward it to the billing official. The billing official will review each monthly billing statement, validate each cardholder's statement, certify accuracy of each statement, and forward it to the FSO within three working days of receipt.

Chapter 3

ESTABLISHING A GOVERNMENT PURCHASE CARD ACCOUNT

3.1. Letter of Appointment. Commanders or chiefs of the requiring activities shall prepare a Letter of Appointment designating the proposed cardholder and billing official. Applications may be included with the letter or provided at the training session depending on local procedures. The letter of appointment is processed by the Installation Purchase Card Program Manager. The letter of appointment will fully describe the types of purchases to be made; identify the name, rank, duty title, telephone number, and e-mail address of the cardholder(s) and billing official(s), and specify the funds to be used to pay for purchase card purchases (include a copy of the AF Form 4009 which will be used to fund the card). Coordination with the servicing FSO is mandatory to ensure that the proper funds are allocated for the purchase card charges. The billing official initiates the request for the funding document from the servicing FSO. The Installation Purchase Card Program Manager shall furnish a written response for any disapproved letters of appointment to the requesting activity within ten workdays after receipt of the written request. Disapprovals shall explain the rationale for denial and should be signed by the Contracting Squadron Commander.

3.2. Limits. Use of the purchase card is subject to a single purchase limit, a monthly cardholder limit, a billing official 30-day limit (which encompasses all of the cardholders' 30-day limits assigned for any billing cycle) and a funding document limit. The Installation Purchase Card Program Manager establishes the purchase card accounts with the Bank subject to the requested limits requested by the cardholder's organization.

3.2.1. **Single Purchase Limit.** The single purchase limit on the card cannot exceed \$2,500 unless the cardholder is a warranted contracting officer or has specific authority to place orders from pre-priced contractual instruments up to \$25,000. For these orders the single transaction limit will be established by the billing official and shall not exceed \$25,000. The single purchase/order limit must be entered in increments of \$100 by the billing official. Two exceptions to the \$2,500 single purchase limit exist for purchases made from the Defense Automated Printing Service (DAPS) and from Federal Prison Industries (FPI) through UNICOR. These sources are considered to be interagency transfers and are therefore not considered to be purchases covered by the Federal Acquisition Regulation. The DAPS single purchase limit is \$100,000 and the UNICOR single purchase limit is \$25,000.

3.2.2. **Monthly Cardholder Limit.** The monthly cardholder limit is the total dollar value of the cardholder's purchase card purchases allowed for any given monthly billing cycle. The monthly cardholder limit shall be entered in increments of \$100.

3.2.3. **Funding Document Limit.** The funding document limit is a budgetary limit established on the Air Force Government-wide Purchase Card Funding Authorization form (AF Form 4009) by the billing official in coordination with and certified by the FSO. In all instances, the billing official will obtain a certified funding document before requesting purchase card cardholder accounts. A copy of the AF Form 4009 shall be forwarded to the Installation Purchase Card Program Manager when requesting account set-up. For Contingency/Exercise Operations accounts see paragraph 2.6. NOTE: Overspending funds available on the AF 4009 will result in Unit Commander notification and may result in suspension of the cardholder's and/or billing official's purchase card privileges. Refer to paragraph 4.3.6. for more information on funding procedures. Please refer to [attachment 5](#) for information on Accountable Official liability.

3.3. Merchant Activity Type (MAT) Codes. In setting up a purchase card account, the Installation Purchase Card Program Manager shall incorporate the MAT codes that are identified from the requiring organization's request. Cardholders will not be permanently assigned the unrestricted MAT Code "000" unless specific written approval by the Contracting Squadron Commander is provided. However, warranted Contingency Contracting Officer cards will be assigned the MAT Code "000" in order to support the contingency/exercise to which they are temporarily assigned.

3.4. Account Set-Up. The Installation Purchase Card Program Manager will coordinate single and monthly purchase limits with the designated billing official and will forward the required set-up documentation to the Bank. The master accounting code from the funding document must be entered in the area marked "Master Account Code" in the set-up documentation. The Installation Purchase Card Program Manager should establish electronic transmission connectivity to set-up and maintain cardholder accounts. A delegation of authority letter, signed by the Contracting Squadron Commander, shall be forwarded to the cardholder after the card account is set up and required training is completed. This letter delegates the authority to the cardholder to act as a purchasing agent to obtain supplies, equipment and services with the purchase card, subject to the limits identified in the letter.

3.5. Receipt of Card. The Bank will mail the Government-wide Purchase Card to the cardholder within five workdays after receiving the cardholder's account set-up information (or within two workdays if electronically transmitted to the Bank). The Bank uses a Voice Response Unit (VRU) to verify that the purchase card has been received by the cardholder. When the cardholder receives the purchase card, he/she must immediately access the VRU. The VRU is accessible through the Bank toll free (or direct telephone number foreign users).

3.6. Convenience Check Accounts. Convenience checks provide an alternative **only** when the use of the purchase card is not feasible. The checks provide Air Force activities the flexibility to issue low volume, low dollar payments for supplies and services. The management controls, procedures, and restrictions included in this AFI also apply to the use of convenience checks. The convenience checks will be pre-numbered and additional controls will be maintained by the check writer using a separate convenience check purchase log (check register) for each account.

The funding document for establishment of convenience check accounts is the AF Form 4009. The convenience check funding document, master account code, billing official number, and cardholder numbers must be unique and cannot be used jointly with existing purchase card accounts. For example, if the Education Office has a convenience check program to pay guest speakers for Professional Military Education courses and a purchase card account for office supplies then the EO would require two AF Forms 4009 for funding purposes.

3.6.1. Requirements: The following requirements must be met when administering a convenience check account:

3.6.1.1. Convenience checks must be advantageous after evaluating all alternatives. Checks should not be used to avoid the normal card payment process. Paying office late payments or incidences of prompt payment interest penalties are not justification for use of the checks.

3.6.1.2. Before a check is issued, the requiring organization must **make every effort to use the purchase card**. Maximum efforts shall be made to find and use vendors that accept the purchase card.

3.6.1.3. The authority to maintain a checking account shall be justified on an individual organization basis and controlled and monitored by the organization commander/director.

3.6.1.4. The number of checkbooks per installation must be kept to a minimum and shall be limited to no more than one checkbook per organization.

3.6.1.5. Convenience checkbook accounts are only available to organizations that maintain an active (in good standing) purchase card account. Convenience checks must be maintained under a separate ("cardless") purchase card account number. A convenience checkbook holder may have a purchase card account and a separate convenience checkbook account.

3.6.1.6. The billing official is responsible for the implementation of appropriate internal controls. **Quarterly** reviews of each checkbook account must be conducted by the billing official as a part of the regular surveillance activities. The Installation Purchase Card Program Manager will review each checkbook account under a billing official as a part of the annual surveillance of accounts. Automated reports are available from the Bank to assist in providing convenience checkbook oversight.

3.6.1.7. Convenience checks shall not be issued for more than \$2,500 per check and shall be issued for the exact payment amount. "Splitting" amounts across more than one check to keep below the \$2,500 limit is prohibited.

3.6.1.8. Convenience checks shall not be issued as an "exchange-for-cash" vehicle to establish cash funds. If vendors issue credit checks or refunds by cash or check, funds must immediately be turned in to the local FSO.

3.6.1.9. The issuing organization is responsible for all administrative costs associated with the use of these checks. The total purchase amount plus the program fee must be accounted for on the check writer's purchase log (check register) and deducted from the funding document balance. (The current program fee for convenience checks is 1.7% of the face value of the check. A 2% fee is charged on checks written outside the CONUS.)

3.6.1.10. Convenience checks may be mailed, provided that internal controls, including the use of the check purchase log, are in place to avoid duplicate payments to payee. Lost checks are the responsibility of the check writer (see DoD 7000.14-R, Vol 5).

3.6.1.11. Convenience checks may be used for payments in overseas transactions up to \$2,500.00 in support of contingencies declared by the Secretary of Defense. Warranted Contingency Contracting Officers (CCO) shall be the only users of convenience checks in contingency operations.

3.6.1.12. Check writers are responsible for the capture of TD Form 1099 MISC, ***Statement for Recipients of Miscellaneous Income***, data for **services** paid by convenience check. (**NOTE:** All amounts must be captured and reported because payments from several installations/agencies may total over \$600 which is the IRS reporting level for TD 1099 data.) The information shall be forwarded to HQ DFAS (with a copy provided to the local FSO) according to instructions issued by DFAS. The required information consists of the following:

Payee's full name

Complete mailing address

Phone number (including area code)

Social Security Number or Tax Identification Number**Amount(s) paid****Date(s) of amount(s) paid****Total paid to Payee in the reporting period**

3.6.1.13. Checks are negotiable instruments and must be stored in a locked container, such as a safe or metal filing cabinet. Checks will be accounted for appropriately to prevent loss, theft, or potential forgery. Checks must be reconciled in a similar manner to other purchase card transactions as a part of the monthly Statement of Account cycle. (Checks are printed on duplicate paper to facilitate tracking and reconciliation.) Duplicate copies of checks must be retained as a part of the account holders' original documentation files.

3.6.2. Authorization of Accounts.

3.6.2.1. The activity billing official may be any member of the Air Force or an Air Force civilian employee who is appointed by the head of the activity to authorize and certify the issuance of convenience checks. This official shall receive and certify payment of the billing statement to the appropriate paying activity. To maintain effective internal controls, the activity's billing official may not perform functions of convenience check writer. The billing official shall be held accountable and pecuniary liable for the propriety of the purchases and accuracy of the payments.

3.6.2.2. The check writer may be any individual (officer, enlisted, or civilian) who is appointed by the head of the issuing activity to order, receive, store, reconcile and dispose of check stock. Only the named person shall be designated as the convenience check writer and have the authority to sign and issue convenience checks. **Checkbook accounts shall be under the custody of an individual who is not responsible for the origination, approval and/or processing of the requirement for a check.**

3.6.3. Establishing Convenience Check Accounts

3.6.3.1. Requests to establish convenience checkbook accounts shall be justified by the organization's commander/director and forwarded to the installation Installation Purchase Card Program Manager.

Delegation of authority to maintain and use convenience checks shall be provided to the activity billing official and check writer (by name) by the activity's commander/director.

3.6.3.2. The Installation Purchase Card Program Manager shall coordinate with the local FSO prior to processing the checkbook account application to the Bank.

3.6.3.3. Applications shall be completed and submitted by the Installation Purchase Card Program Manager to the Bank. The application package shall also include a copy of the Air Force activity commander/director approval documents.

3.6.4. Use of Convenience Check Accounts

3.6.4.1. Convenience checks may be used when supplies or services are available for delivery within 15 days at the contractor's place of business or at destination. Purchases made with the check must not require detailed technical specifications or an inspection report.

3.6.4.2. Convenience checks may be used when expenditures are otherwise authorized by regulations, such as:

3.6.4.2.1. Delivery charges associated with the purchase made with a convenience check when the contractor is requested to arrange delivery. These charges include local delivery, parcel post, including cash on delivery (C.O.D.) postal charges, and line haul or inter-city transportation charges, provided the charges are determined to be reasonable and acceptance is in the best interest of the government.

3.6.4.2.2. C.O.D. charges for supplies ordered for payment with a convenience check upon delivery.

3.6.4.2.3. Transportation passes or tokens.

3.6.5. Prohibited Purchases

3.6.5.1. Payment of salaries and wages. (Exception: Part-time referees, umpires, and officials for base recreational services, and base chapel musicians. All TD1099 reporting will be accomplished for these transactions.)

3.6.5.2. Travel advances or any other advances.

3.6.5.3. Payments of travel claims (except for claims for local travel as specified in paragraph 3.6.4.2.3. above).

3.6.5.4. Payment of public utility bills.

3.6.5.5. Purchases from contractors or contractor's agents who are military personnel or civilian employees of the government. (Exception: See paragraph 3.6.5.1. above.)

3.6.5.6. Repetitive purchases from the same contractor when another method of purchase, such as a purchase card or blanket purchase agreement would be more appropriate.

3.6.5.7. Payment of spot awards.

3.6.6. Disputes/Stop Payments

3.6.6.1. The dispute process available with the purchase card is not available with convenience checks. Any concerns over a purchase made with a check must be resolved directly with the merchant. The check writer is solely responsible for securing restitution and/or credit for disputed purchases. Cardholder Statement of Questioned Items (CSQI) will not be accepted for check purchases. Each organization is responsible for checks written on the account, unless it is determined fraud is involved.

3.6.6.2. In some cases, payment can be stopped on a convenience check that has been written if the check has not yet posted to an account. To stop payment on a check, call the Bank Customer Service to receive instructions on processing the action. The stop payment action will be in place for 6 months, and a fee will be charged (and accounted for on purchase log/funding document balance) directly to the account. If the check has already posted to the account, a request to stop payment cannot be honored. (The current Stop Payment charge is \$25.00.)

3.6.6.3. Copies of posted checks are retained on file at the Bank for 3 ½ years. If a check copy is needed, it will be mailed within 14 calendar days of request. A fee will be charged (and must be accounted for on the purchase log/funding document balance) directly to the requesting account. (The current charge for check copies is \$2.00.)

3.6.6.4. Although a check is written, it may not immediately post, and therefore, will not be reflected in the Statement of Account of the check writer. When a check is presented to the Bank

for payment, there must be enough funds in the 30-day limit and office limit to cover the check. In addition, a check cannot exceed the single purchase limit assigned to the account. If a check presented exceeds any of the limits, the result is a Non-Sufficient Funds (NSF) situation and the check may be returned unpaid to the merchant or payee. A NSF fee will be assigned (and accounted for on the purchase log/funding document balance) against the check writer's account. (The current NSF Bank charge is \$15.00; however, the merchant may also charge a Returned Check charge.)

3.6.7. Waiver Process

3.6.7.1. The Department of the Treasury, Office of the Deputy Chief Financial Officer (ODCFO) may grant waivers to these policies (including higher dollar authority) for contingency operations and for exceptional circumstances. Waiver requests for deviations from, or exception to, these policies shall be submitted through MAJCOMs for evaluation by SAF/AQC and SAF/FM.

3.6.7.2. Waiver requests approved by SAF/AQC and SAF/FM shall be submitted for consideration to the ODCFO. Such requests must contain adequate justification and demonstrate the need for a waiver or exception to the specific policy.

Chapter 4

RESPONSIBILITIES AND PROCEDURES FOR GOVERNMENT PURCHASE CARD OPERATIONS

4.1. Air Force Level: Agency Program Coordinator:

4.1.1. SAF/AQCO is designated the Air Force Agency Program Coordinator. The Agency Program Coordinator's address is:

SAF/AQCO

ATTENTION: Government Purchase Card Program Coordinator

1060 Air Force Pentagon

Washington, DC 20330-1060

4.1.2. Primary Responsibilities:

4.1.2.1. Administers the USAF Program.

4.1.2.2. Establishes policies and guidelines for USAF implementation subject to SAF/AQC approval and Secretariat and Air Staff coordination.

4.1.2.3. Acts as liaison among USAF, vendor Bank, Government Purchase Card Program Management Office, and GSA.

4.1.2.4. Provides information to MAJCOM/FOA/DRU Program Managers.

4.1.2.5. Reviews all Bank furnished purchase card reports.

4.1.3. Squadron Commander has the authority to discipline cardholders and billing officials who abuse or violate purchase card program requirements.

4.2. MAJCOM/FOA/DRU Level:

4.2.1. Appointment of MAJCOM/FOA/DRU Program Manager: Each MAJCOM/FOA/DRU Director of Contracting shall appoint a MAJCOM/FOA/DRU Government Purchase Card Program Coordinator.

4.2.2. Field Communication: The Installation Purchase Card Program Manager shall first direct questions or issues to their MAJCOM/FOA/DRU Program Manager who will, if necessary, contact the Agency Program Coordinator.

4.2.3. Additional Guidance: Any additional guidance required to implement the Government-wide Purchase Card program within the MAJCOM/FOA/DRU will be developed by the MAJCOM/FOA/DRU Program Manager. **MAJCOM/FOA/DRU Program Coordinators will not establish supplemental procedures which add tasks to cardholders or billing officials without approval of the Air Force Agency Program Manager.**

4.3. Installation Level:

4.3.1. Installation Commander: The Installation Commander or equivalent shall have the overall responsibility for the operation of the Government-wide Purchase Card program on the installation or for the organization.

4.3.1.1. The Installation Commander or Contracting Squadron Commander has the authority to suspend or terminate purchase card privileges of cardholders and billing officials. The Installation Commander and/or the respective is the primary point of contact for all Bank business for the installation. The Contracting Squadron Commander/Office Chief designates an Installation Purchase Card Program Manager to manage the responsibilities depicted in paragraph 4.3.3.

4.3.2. The installation contracting office

4.3.2.1. Contracting Squadron Commander/Office Chiefs of Contracting offices must be delegated the authority by MAJCOM HCAs (or designees) to further delegate contracting authority to cardholders to use the purchase card. A sample delegation of authority letter is provided at [attachment 2](#)

4.3.2.2. Contracting Squadron Commanders/Chiefs of contracting offices must issue written authority to cardholders not in contracting organizations to make purchases or place orders, in accordance with FAR Part 1.603-(b), subject to the following thresholds for single purchase limits:

4.3.2.2.1. Personnel not assigned to a contracting office shall not be delegated authority to use the purchase card to make single purchases for commercially available products or services from open market sources which exceed \$2,500.

4.3.2.2.2. Personnel not assigned to a contracting office will be limited to less than \$25,000 in ordering items or services from pre-priced. BPAs, pre-priced contracts, and FSS/GSA delivery orders (where the card is accepted).

4.3.2.3. Warranted contracting officers and other designated contracting/purchasing personnel may use the purchase card as a method of payment on a contractual document up to the warrant limit of the Contracting Officer. However, in many cases the vendor's merchant bank may not be able to process payments in excess of \$999,999. The Contracting Officer should verify with the vendor that their bank can accept payments in excess of that amount before using the card for payment. Cardholders in contracting must comply with the requirements of this instruction for establishing, funding, reconciling, and approving purchase card purchases even when the card is used as a payment method on a contractual document. Contracting Offices normally should not make purchases or place orders using the Government-wide Purchase Card for other organizations.

4.3.3. Installation Purchase Card Program Manager:

4.3.3.1. General: This individual is responsible for the operations of the installation's purchase card program. Installation Purchase Card Program Manager functions include the processing of purchase card applications; issuing delegations of contracting authority; establishing reports; providing mandatory purchase card training and surveillance; and providing business advice to cardholders. Additional responsibilities of the Installation Purchase Card Program Manager include the following:

4.3.3.1.1. Acts as the point of contact with the Bank for all purchase card issues at the installation.

4.3.3.1.2. Ensures that purchase card implementation is coordinated with the servicing FSO and that a certified funding document exists before establishing an account.

4.3.3.1.3. Initiates the revocation and suspension of purchase card account privileges for individuals (cardholders and billing officials) who violate purchase card procedures.

4.3.3.2. Verification of Cardholders: The Installation Purchase Card Program Manager shall maintain a current listing of all cardholders and billing officials under his/her jurisdiction.

4.3.3.3. Cardholder/Billing Official Training.

4.3.3.3.1. General:

4.3.3.3.1.1. The Installation Purchase Card Program Manager is responsible for training all cardholders and billing officials. The completion of purchase card program training is required prior to the establishment of a purchase card account.

4.3.3.3.1.2. The length of the required orientation sessions shall be established by the Installation Purchase Card Program Manager. However, a minimum of four hours is required for those cardholders who have not previously completed formal training in small purchases/contracts. The training requirement for cardholders trained at a previous duty station may be abbreviated or waived as determined by the Installation Purchase Card Program Manager. In addition to the minimum required training, the Installation Purchase Card Program Manager is responsible for providing updated training to all cardholders on an annual basis. This “continuing education” requirement can be satisfied by holding a classroom session, providing periodic newsletters, accessing web-based training or other suitable vehicles. The Installation Purchase Card Program Manager should document these sessions and, when practicable, compile and retain a list of attendees.

4.3.3.3.1.3. All trainees must sign a statement of training certifying they have received the initial purchase card program training, they understand the training provided, purchase card program training materials have been provided or made available, and they understand the penalties associated with misuse of the card. A sample training record is provided at [attachment 3](#). This document shall be retained by the Installation Purchase Card Program Manager while the cardholder’s account remains active. Cardholders should keep a copy of the training certificate for future reference in case they change installations or Installation Purchase Card Program Managers.

4.3.3.3.2. Required Training Areas: The training program shall cover the following subject areas:

4.3.3.3.2.1. Air Force Purchase Card Program internal operating procedures (AFI 64-117).

4.3.3.3.2.2. Cardholder and billing official responsibilities.

4.3.3.3.2.3. Cardholder Guide. The Bank has developed a guide for cardholders covering many of the purchase card operating procedures. This guide will be made available to each cardholder upon establishment of the card.

4.3.3.3.2.4. Billing Official Guide. The Bank developed a guide for billing officials. A copy of this guide will be made available by the Bank upon establishment of the account.

- 4.3.3.3.2.5. Specific guidance on use of required sources and order of precedence of sources as prescribed in FAR, Part 8, and DFARS, Part 208, e.g., National Industries for the Blind (NIB), National Industries for the Severely Disabled (NISH), Federal Prison Industries, and FSS/GSA schedule requirements. In addition to those mandatory sources listed in FAR Part 8, strongly consider using small and small disadvantaged businesses whenever possible.
- 4.3.3.3.2.6. Pre-priced Blanket Purchase Agreements (BPA) and Blanket Delivery Orders (BDO) procedures.
- 4.3.3.3.2.7. Funding document maintenance, account certification, and billing procedures. The FSO shall assist in this training.
- 4.3.3.3.2.8. Federal, Defense, and departmental acquisition policies and procedures.
- 4.3.3.3.2.9. Use of recovered materials (purchase of EPA guideline items - Affirmative Procurement). (The Civil Engineering Environmental Flight provides this training.)
- 4.3.3.3.2.10. Hazardous materials. HMMP Team is responsible for providing this training.)
- 4.3.3.3.2.11. Competition and price reasonableness.
- 4.3.3.3.2.12. Documentation requirements.
- 4.3.3.3.2.13. Prohibition against splitting requirements.
- 4.3.3.3.2.14. Equitable distribution of purchases among qualified suppliers.
- 4.3.3.3.2.15. Construction purchase requirements. (The Civil Engineering Operations flight provides this training as part of the mandatory cardholder training session)
- 4.3.3.3.2.16. Purchase of non-medical equipment items, allowances standards, and placing equipment items on an organizational account after receipt. Base Supply provides this training.
- 4.3.3.3.2.17. Instructions on use of warranties/extended service agreements.
- 4.3.3.3.2.18. Information on existing base contracts and agreements which should be utilized by cardholders.
- 4.3.3.3.2.19. Installation Purchase Card Program Managers are encouraged to provide procurement ethics training to all cardholders and billing officials who are not employed in contracting or procurement and who have decision making responsibilities regarding purchase card expenditures.
- 4.3.3.3.2.20. Review available report products, and statements of accounts, and invoice reconciliation procedures.
- 4.3.3.3.2.21. Contracting Support: The contracting squadron shall advise cardholders on the business support that they will provide. This will include use of Internet resources (e.g.: GSA Advantage, DoD E-Mall), advice on when to seek contracting support for repeat buys and recurring services in lieu of using the purchase card and information on any discounts negotiated with local or national vendors.

4.3.3.4. Violation of Air Force purchase card procedures. If, as a result of findings from a surveillance visit, or by any other means, it is discovered that a cardholder or billing official has violated purchase card procedures, the Installation Purchase Card Program Manager shall take appropriate action to document the violation and take steps to preclude a reoccurrence. If the billing official discovers violations of purchase card/convenience check procedures by one of their cardholders, they will document the violation and forward the information (e-mail acceptable) to the Installation Purchase Card Program Manager for appropriate action. Action(s) taken should be commensurate with the violation(s). Specifically, and as deemed necessary, a letter, signed by the Contracting Squadron Commander (or equivalent), will be sent to the cardholder and/or billing official, with a copy provided to the cardholder's commander. If suspension or termination of an account is deemed appropriate, the Installation Purchase Card Program Manager will take the necessary steps to have the Bank suspend the cardholder or billing official account by voluntarily closing the billing official's or cardholder's account, or by reducing the purchase limit to \$0. The letter must state the following as a minimum:

4.3.3.4.1. Description of violation that was discovered or is occurring.

4.3.3.4.2. Any effective suspension or other change to the account.

4.3.3.4.3. If applicable, the suspension or termination will remain in effect until:

4.3.3.4.3.1. The cardholder or billing official receives remedial training from the Installation Purchase Card Program Manager on Air Force purchase card procedures with special emphasis in the area of the violation; and

4.3.3.4.3.2. Other corrective actions which must be taken by the cardholder or billing official are completed. For example, additional controls may be necessary to prevent re-occurrence. Also, restitution may be required for any unauthorized purchases.

4.3.3.4.4. After all corrective actions have been successfully accomplished, the account will be reinstated.

4.3.3.4.5. Further offenses will be reported to the installation commander and will be grounds to permanently revoke the purchase card privileges.

4.3.3.4.6. The violation and any subsequent re-training shall be documented in Installation Purchase Card Program Manager files.

4.3.3.5. Card Reissue: The Bank will reissue the purchase card every 24 months to each active cardholder. The Bank will forward to each Installation Purchase Card Program Manager, at least three months prior to the expiration of each purchase card, a Card Reissue Report which lists each active purchase card scheduled for renewal. The Installation Purchase Card Program Manager must inform the Bank, in writing within 30 work days after receipt of the report, of any purchase cards which should not be reissued and advise the Bank of any cards that should be reissued that are not on the Bank's listing.

4.3.3.6. Purchase Card Surveillance Requirements:

4.3.3.6.1. Surveillance will be accomplished by the Installation Purchase Card Program Manager on each billing official at least every 12 months (not once per fiscal year). In addition, a random sample of 25% of cardholders assigned to the billing official shall be reviewed yearly as part of the billing account review. Billing officials shall perform surveillance reviews of

100% of their cardholder accounts at least every 12 months (not once per fiscal year). Convenience check account shall be reviewed every quarter. Newly appointed cardholders should be actively reviewed by the billing official during the first three months to ensure they are effectively performing their duties and following all procedures.

4.3.3.6.2. The surveillance guide, [attachment 4](#), may be used to accomplish the surveillance.

4.3.3.6.3. Where automated systems provide capabilities to examine the population of transactions for purchase from unauthorized merchants, violations of limits, and other irregular activities, the Installation Purchase Card Program Manager will use these capabilities as part of the surveillance program. In these cases, on-site reviews should be conducted immediately for accounts with suspected violations.

4.3.3.6.4. Surveillance results will be maintained on file in the Installation Purchase Card Program Manager office. Copies of surveillance results will be provided to the billing official's organizational commander, the billing official, and, if applicable, the cardholder. The Installation Purchase Card Program Manager will meet with the billing official to discuss each finding of noncompliance. Surveillance of purchase card purchases made during contingency/exercise operations will occur within 30 days following the conclusion of the contingency/exercise deployment of the cardholder or the receipt of the final billing statement, whichever is later. Contingency/exercise purchase card documentation will be maintained for one year from payment of final billing statement.

4.3.3.7. Base Closure: Purchase card usage should be terminated at least three months before a base is closed. The Installation Purchase Card Program Manager shall contact the Bank and arrange for transfer of the paying function to a successor finance office and transfer of the program management responsibilities to an appropriate contracting office. The Air Force Base Closure Agency (AFBCA) should be contacted regarding program management for closing/closed installations.

4.3.3.8. Certifying Officer Requirements: All Installation Purchase Card Program Managers have been designated accountable officials under the Certifying Officer legislation. For more details on accountable official and certifying officer requirements, see Attachment 5, "Certifying Officer and Accountable Officer Requirements for the Government Purchase Card"

4.3.3.9. Expedited Card Applications: In unusual circumstances where setting up cardholder accounts and circumstances dictates that the normal processes be expedited, Installation Purchase Card Program Managers should fax the cardholder set-up forms to the Bank indicating that this is a "rush" application with the words "please expedite" annotated on the application. The account will be created within the next three business days and will be mailed out by priority, next day delivery mail by the Bank. Installation Purchase Card Program Managers are responsible for approving these applications as expedited in order that this costly priority option is not abused.

4.3.4. Billing Official:

4.3.4.1. The billing official should normally be in the same chain of command as the cardholder (e.g. unit or squadron) and the level of responsibility inherent in this position suggests that the grade of the billing official needs to be commensurate with that responsibility. A cardholder cannot be his/her own billing official nor can anyone be a billing official for his/her immediate supervisor. An alternate billing official shall also be designated during leave or TDY of the primary

billing official to avoid statement-processing delays. The billing official has the authority to direct the Installation Purchase Card Program Manager to take action to cancel the purchase card for any of his/her cardholders at any time.

4.3.4.1.1. Establishing Dollar Limits: The billing official is responsible for recommending purchase card dollar limits to the Installation Purchase Card Program Manager for all of his/her cardholders and to ensure that established limits are not exceeded. These limits are established in coordination with the FSO and the Installation Purchase Card Program Manager. (See Chapter 3, Establishing a Purchase Card Account).

4.3.4.1.2. Each month the billing official reconciles accounts to:

4.3.4.1.2.1. Obtain and review each cardholder's statement. Conduct reviews of 100% of cardholder files at least every 12 months to ensure documentation and reconciliation are being performed properly.

4.3.4.1.2.2. Verify that all transactions were appropriate, given the duties of the cardholder and mission of the unit, and those purchases were made in accordance with this AFI.

4.3.4.1.2.3. Signs the monthly Billing Account Statement, confirming it is correct and forwards the original statement to the FSO within 15 days after receipt but not later than the 15th of the month. Each statement must be signed by the billing official to meet the requirement of Certifying Officer legislation. All billing officials have been designated accountable officials under this legislation. (See [attachment 5](#)) and:

4.3.4.1.2.4. Retain a copy of each monthly invoice (IAW AFMAN 37-139, Table 64-1, R 26 and FAR 4.805(b)(10)). If the billing official determines that the files have future value to the Government and they require retention longer than authorized by AFMAN 37-139, notify the base record manager and request authority for longer retention. . The billing official will also maintain all original supporting documentation (receipts, logs, approvals) for accounts when the cardholder or check writer has transferred, been reassigned, or retired and the account(s) is closed.

4.3.4.1.3. Cancellation of purchase card accounts:

4.3.4.1.3.1. Complete a Cardholder Maintenance bank form with "Cancellation" and "purge from reporting" marked and forward to the Installation Purchase Card Program Manager. Also, forward to Installation Purchase Card Program Manager (e-mail acceptable) verification that all transactions (charges and/or credits) have cleared the Bank and the card has been destroyed. When possible, cardholder accounts should be cancelled 60 days prior to reassignment or retirement to ensure all monthly statements have been reconciled and items purchased have been received.

4.3.4.1.3.2. Notify the servicing FSO for adjustments to the funding document.

4.3.4.1.4. Billing officials must notify the Installation Purchase Card Program Manager, on a quarterly basis, of cardholders who have retired, separated, been reassigned, or who no longer have cardholder responsibilities.

4.3.4.1.5. Lost or Stolen Cards: The billing official shall submit a written report (e-mail acceptable) through the Installation Purchase Card Program Manager to the MAJCOM/FOA/DRU Program Coordinator within five workdays. The report will include:

- 4.3.4.1.5.1. The purchase card number, the cardholder's complete name;
- 4.3.4.1.5.2. The date and location (if known) of the lost/stolen card and the date reported to police;
- 4.3.4.1.5.3. The date and time Bank was notified;
- 4.3.4.1.5.4. Any purchase(s) made on the day the purchase card was lost or stolen; and
- 4.3.4.1.5.5. Any other pertinent information.

A new purchase card will be mailed within 24 hours of the reported loss or theft (Monday through Friday). For international card replacement, the Bank will replace lost or stolen cards within 48 hours of the reported loss or theft. If the cardholder finds the original purchase card, it shall be cut in half and given to the billing official who will complete the destruction notice and forward it to the Installation Purchase Card Program Manager, who will notify the MAJCOM/FOA/DRU Program Manager. The Installation Purchase Card Program Manager will contact the Bank to ensure the account is closed.

4.3.5. Cardholder:

4.3.5.1. General: The purchase card bears the cardholder's name and shall only be used by the named cardholder to pay for authorized US Government purchases in compliance with the Federal Acquisition Regulation (FAR), and applicable AF regulations and procedures. The purchase card was specially imprinted with the Great Seal of the US and the words "United States of America" to avoid being mistaken for a personal credit card. A cardholder who makes unauthorized purchases, allows others to use the card, or carelessly uses the purchase card may be liable to the government for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. He or she may also be subject to disciplinary action under DoD and USAF directives and regulations. The government shall be liable for use of purchase cards by authorized cardholders.

4.3.5.2. Conditions for Use: Each Cardholder must ensure purchase limits assigned to the card account are not exceeded. The total amount of a single purchase may be comprised of multiple items, but it may not exceed the authorized single purchase limit. Purchases will be denied if the authorized single purchase limit is exceeded. Payment for purchases shall not be split in order to stay within the single purchase limit. Purchases which would exceed the single purchase limit must be forwarded through the proper channels for base contracting action.

4.3.5.2.1. Cardholders are prohibited from making repeat buys of the same item to avoid the \$2500 limitation for purchasing and the \$25,000 limitation for ordering using the Government-wide Purchase Card. In addition, no purchase from the same vendor may exceed the single purchase limit of \$2500 even if the individual items comprising the purchase have unit prices that are less than \$2500.

The purchase card was implemented to avoid the need for warehousing items and requisitioning items through the Supply system. This "just-in-time" buying philosophy allows organizations the flexibility to buy items when they need them. However, there is no basis in

regulation or law to permit cardholders to repetitively purchase an item when the cardholder knows or *should have known* of additional requirements for the same item that would result in an aggregate purchase greater than \$2500. There is a distinction between buying supplies and services based on one's own needs known at the time and buying for one's organization based on the known organizational requirement or forecast. The following two examples illustrate the distinction:

Example 1: On a Monday, a cardholder buys one \$2400 widget because that is his known requirement. The next day, he learns that someone in his organization needs another identical widget. **As long as he made an honest effort to consolidate his organization's requirements when he made the first buy, he has not split the requirement.** He does not have an obligation to know other organizations' requirements.

Example 2: A cardholder normally holds all requests for widgets until the end of the day/week/month so he will only have to make one buy. There is a steady, recurring requirement for this widget. After realizing that his request has exceeded \$2500, he decides to buy part of his requirement one day and the remainder the next. That is splitting a requirement because it was known or *should have been known* that the requirement exceeded \$2500. In cases such as these, a Blanket Purchase Agreement or other Indefinite Delivery Indefinite Quantity ordering contract should be initiated by the contracting office. The key component is the knowledge of the requirement the cardholder possessed at the time of purchase.

This is not meant to be a definitive answer that is arbitrarily applied to every situation but rather a guideline that delineates the major concerns. Business advice should be sought from the contracting squadron to decide the best strategy for obtaining repetitive buy items and services. If you think your circumstances may be viewed by reviewers as splitting a requirement, contact your Installation Purchase Card Program Manager for guidance. The Purchase log should be documented to explain any buy that may have the appearance of a split requirement.

4.3.5.2.2. All items purchased/ordered should be available by the end of the next billing cycle. The item must be received or the service completed before the item appears on a statement of account. (Exception: Subscriptions and training approved on a DD1556). Orders will not be made using the purchase card when vendors are unable to ship the total quantity of the purchase in the same shipment unless: (1) all items purchased will be shipped within one billing cycle from the time in which they were ordered: or (2) all items purchased will not be shipped within one billing cycle but the vender is willing to bill the Bank only after all items are shipped.

4.3.5.2.3. All items purchased by telephone and paid with the Government-wide Purchase card must be delivered by the merchant within one billing cycle. The order shall not be placed without this assurance. If an item is not available immediately, back ordering is allowed only if procedures stated in paragraph [4.3.5.2.1](#) are followed.

4.3.5.2.4. For all purchases, the cardholder shall inform the merchant that it is for official US Government purposes and therefore not subject to state or local sales tax. The card is embossed with "U.S. GOVT TAX EXEMPT" for additional clarification. Each cardholder is responsible for providing the tax-exempt number to the merchant if requested to do so. NOTE: Overseas cardholders are not exempt from paying foreign taxes unless foreign tax agreements so specify.

4.3.5.3. Making Government-wide Purchase Card purchases:

4.3.5.3.1. General: All acquisition, supply, and finance regulations apply to Government purchase card purchases. Cardholders **must comply** with the following procedures:

4.3.5.3.1.1. Document all purchase card purchases in a log. There is no official Air Force form to capture this data. Installation Purchase Card program offices may collect this information in a format that is most appropriate to meet their unique needs such as spreadsheet applications. User organizations which have their own management systems (e.g. Civil Engineering Management Accounting System {CEMAS}) may substitute their own log as long as it captures the necessary information required by the Installation Purchase Card Program Management office. Information which should be captured on the purchase log includes, but is not limited to, the name of the cardholder, the name of the billing official, the daily and monthly purchase limits, the cardholder signature, the account number, the date the merchandise or service was ordered, the requestor's name, office symbol and phone, the supplier's name, point of contact, address and phone, a description of the item or service, quantity, unit price, total price, estimated delivery date, actual delivery date, amount billed, account balance and additional comments. Receipts for each purchase and other support documentation such as special approvals shall be maintained in the file along with the purchase log. Upon receipt of the monthly billing statement, the cardholder shall reconcile the log, receipts, and statement prior to verifying the statement and forwarding same to the billing official. Receipts and other supporting documentation shall be maintained on file and available for a billing official or Installation Purchase Card Program Manager review. (Note: Supporting documentation and original purchase logs must not be forwarded to the billing official. This would make it impossible for the cardholder to reconcile disputes and undergo surveillance). When the cardholder or check writer is transferred, reassigned, or retires, all original supporting documentation (receipts, logs, approvals) will be provided to the billing official. The billing official will maintain the documentation IAW paragraph [4.3.4.1.2.4](#).

4.3.5.3.1.2. Ensure that funds are available to pay for items being purchased. Only firm-fixed price transactions are authorized.

4.3.5.3.1.3. Ensure supplies or services provided by required (statutory) sources of supply IAW FAR Part 8 (FPI, Javits-Wagner-O'Day Program as implemented by NIB/NISH, etc) are purchased/ordered from these sources.

4.3.5.3.1.4. Ensure the vendor is responsible for delivery to the location cardholder identifies when ordering (referred to as "free on board" (f.o.b.) destination). The vendor may separately identify shipping charges on an invoice but these costs will be included in the single transaction when the purchase is made.

4.3.5.3.1.5. Rotate sources. Whenever practical, solicit suppliers other than the previous vendor before placing repeat orders. If suppliers furnish standing price quotations or catalog prices on a recurring basis, obtaining competition on individual purchases is not necessary, but the prices should be periodically confirmed as current. When determining the number of sources to solicit, consider the nature of the item or service to be purchased and whether it is highly competitive; information from recent purchases of the same or similar items or services; the urgency of the purchase; the dollar value of the purchase; and past experience concerning dealer prices. These purchases shall be distributed equitably among qualified vendors. A special effort should be made to solicit small and small disad-

vantaged businesses as a source for supplies and services whenever practicable. Purchases under \$2,500 may be made without competition; however, the cardholder must consider the prices to be reasonable.

4.3.5.3.1.6. Ensure that a reasonable price is obtained. Comparing prices offered by other vendors for the same or similar item or service is the preferred method to determine prices as being fair and reasonable.

4.3.5.3.1.7. Certify that the quantity and the quality of the items or services furnished are in accordance with the order/contract (verbal or written) with the vendor. (Make sure that you receive what you pay for!)

4.3.5.3.1.8. Cardholders must obtain the same functional area approvals they would receive if processing an AF Form 9 (e.g., SC for computer equipment, DAPS prior to obtaining commercial printing, DP for training, etc.)

4.3.5.3.1.9. Cardholders must comply with the Affirmative Procurement Program. Items listed in the EPA's Comprehensive Procurement Guidelines must contain the recommended recycled or recovered material content unless one of the exceptions is applicable. Written approval must be obtained from a general officer or SES before buying non-compliant items over \$2,500. If there is no general officer or SES on the installation, then the installation commander is the approving authority. Questions on the EPA Comprehensive Procurement Guidelines should be addressed to the Base Contracting Office.

4.3.5.3.2. Open-market transactions:

4.3.5.3.2.1. Advise the merchant that the purchase is not subject to state and local tax. (A notice of tax exemption also appears on the purchase card). Overseas purchases may include the tax if vendors do not acknowledge tax exempt status and circumstances make it unreasonable to order from a US vendor.

4.3.5.3.2.2. Verify that the dollar amount is correct and that no sales tax has been included.

4.3.5.3.2.3. Sign the sales draft and retain a copy for record purposes and for verification of the monthly Statement of Account.

4.3.5.3.3. Mail or telephone order purchases: When placing a telephone order to be paid using the Government purchase card, the cardholder shall:

4.3.5.3.3.1. Notify the vendor that the purchase is tax-exempt. Provide the **tax-exempt** number to the merchant if requested. Overseas purchases may include the tax if the vendor does not acknowledge tax-exempt status and circumstances make it unreasonable to order from another vendor.

4.3.5.3.3.2. Confirm that the vendor agrees to charge the Government-wide Purchase Card when shipment is made so that receipt of the supplies may be certified on the monthly Statement of Account.

4.3.5.3.3.3. Instruct the vendor to include the following information on the shipping document or packing slip to alert the receiving offices and requisitioning office that the supplies have been purchased with the Government-wide Purchase Card. (Also see paragraph 2.5. Use of Government Purchase Card by OCONUS Units).

- 4.3.5.3.3.3.1. Cardholder name and correspondence symbol;
- 4.3.5.3.3.3.2. Building number, room number, street address, city and state;
- 4.3.5.3.3.3.3. Cardholder telephone number; and
- 4.3.5.3.3.3.4. The term "Purchase Card."
- 4.3.5.3.3.3.5. Cardholder shall document all telephone and mail orders in their purchase log when the order is placed. When ordered items arrive, the purchase log entry shall be annotated with delivery/receipt date

4.3.5.3.4. Purchases requiring the issuance of a written order or contract:

4.3.5.3.4.1. If the purchase card is used to pay for a purchase made by purchase order or contract, the vendor should be provided the necessary information orally, either in person or by telephone, and the statement **"Payment to be made by Government purchase card"** should be inserted on the form. Do not include specific information from the Government purchase card on the purchase order or contract.

4.3.5.3.4.2. If the vendor requires a purchase order, BCAS/SPS will generate a SF 1449. The vendor should be given a copy of the purchase order and the cardholder maintains a copy. **Do not distribute other copies.**

4.3.5.3.5. Manufacturer/Retailer Rebates: Cardholders should take advantage of any rebates offered. Manufacturer/retailer rebates shall be made payable or endorsed to the USAF. Rebates in the form of checks or cash should be forwarded to the FSO for deposit with Treasury. Rebates will be processed as an appropriation refund to the billing official's organization and should be credited to the applicable funding document.

4.3.5.4. Documentation and Retention: For each purchase card transaction, the following documentation shall be maintained:

4.3.5.4.1. Documents received and/or generated by the cardholder to support purchase transactions (statements of account, receipts, approvals, etc.). One year after final payment of statement IAW AFMAN 37-139, Table 64-4, R26 and FAR 4.805(b)(10);

4.3.5.4.2. Documents generated at the FSO level supporting a certified invoice for payment (e.g., certified Bank invoices; pre-certified statements or electronic files received from cardholders supporting respective invoices; and all Notices of Invoice Adjustment that changed the amount of the invoice) – 6 years and 3 months after the final payment is made (AFMAN 37-139, Table 177-18, R 6); and

4.3.5.4.3. Documents generated at the Installation Purchase Card Program Manager level supporting cardholders and billing officials (training records, surveillance records, delegation of authority, etc.), retain as long as the cardholder and billing official are performing that function.

4.3.5.5. Reconciliation and Payment Procedures: Each month the cardholder must reconcile the Statement of Account (SOA) distributed by the Bank. The SOA itemizes each transaction posted to the account during the past billing cycle. Upon receipt of SOA the cardholder shall:

4.3.5.5.1. Review the entire statement for accuracy, comparing each transaction on the SOA with those recorded on the cardholder log and the receipts for each transaction. The card-

holder shall take note of any transactions billed which have not yet been received and any items which have been received but not yet billed. If either of these conditions exist, the cardholder shall take appropriate follow-up action and document the file.

4.3.5.5.2. If the transaction amounts agree and the item(s) have been received or services have been performed, then check off the transaction on the SOA.

4.3.5.5.3. If there is a problem with any of the transactions on the SOA, such as non-receipt of item or incorrect charge, see paragraph 4.3.5.6. on Resolving Problems with the SOA.

4.3.5.5.4. Retain documentation in accordance with paragraph 4.3.5.4.

4.3.5.5.5. Sign the original SOA, log, and Cardholder Statement of Questioned Item (CSQI) and forward to the billing official within three work days.

4.3.5.5.6. Retain in the file a copy of each month's SOA, log, and original supporting documentation (receipts, invoices, etc.) as indicated in paragraph 4.3.5.4.1. above.

4.3.5.5.7. All cardholders have been designated accountable officials under the Certifying Officer legislation. (See attachment 5)

4.3.5.6. Resolving Problems with the SOA: Problems with the SOA usually fall into one of the categories listed on the CSQI bank form. Cardholders should try resolving problems directly with the vendor before filing a CSQI form. In most cases, cardholders will be able to resolve problems by contacting the vendor. If problems cannot be resolved with the vendor, the cardholder may submit a CSQI to the Bank. The Bank allows up to 60 days to submit a CSQI. In some cases, cardholders should delay submission of a CSQI until they receive the next month's SOA, (e.g., account was billed but order has not yet been received). Other problems may dictate immediate submission of a CSQI, (e.g., unrecognized charge). The following will help determine the correct approach for resolving problems:

4.3.5.6.1. MERCHANDISE/SERVICE NOT RECEIVED: Contact the vendor to verify that shipment has been made or service rendered. Make a note of non-receipt in the "Disputed Items" column of the purchase log. If, after 45 days and upon receipt of the next month's SOA, the organization has still not received the item(s), then submit a CSQI;

4.3.5.6.2. MERCHANDISE RETURNED or CREDIT NOT RECEIVED: Attempt to resolve by contacting the vendor. Record questioned amount in the "Disputed Items" column of the purchase log. If upon receipt of the next month's SOA the account has still not been credited for the questioned amount, then submit a CSQI;

4.3.5.6.3. To resolve any other types of incorrect charges including UNAUTHORIZED MAIL OR PHONE ORDER, DUPLICATE PROCESSING, ALTERATION OF AMOUNT, UNRECOGNIZED CHARGE, contact the vendor first. If the cardholder cannot resolve the problem with the vendor, then immediately forward a CSQI to the Bank;

4.3.5.6.4. If the dispute charge involves sales tax or transportation costs charged erroneously by the merchant, the amount of the tax or erroneous transportation costs cannot be disputed through Visa Chargeback Regulations. Cardholder shall make every effort to obtain a credit for the amount of the tax or transportation costs from the merchant. If a credit is not obtained, ordering agencies must pay the tax or transportation costs. Do not file a CSQI for this.

4.3.5.6.5. Each month, the Bank distributes a TBR00420, Dispute Report in addition to the SOA which lists all unresolved disputes as well as those resolved during the last billing cycle. The billing official must review this report and compare it to the "Disputed Items" column of the purchase log. Contact the purchase card customer service department or Installation Purchase Card Program Manager to resolve any outstanding discrepancies. If a dispute is denied by the Bank the cardholder forwards a copy of the statement of the disputed transactions and copy of the applicable CSQI to the billing official who, in turn, forwards it to the FSO within 15 days; and

4.3.5.6.6. If items purchased with the card are found to be defective, the cardholder shall obtain a replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct the faulty item, the cardholder will consider the item in dispute. Items in dispute are handled in the same manner as billing errors. Credited amounts may not be added back to the funding document or reused by the cardholder without coordination from the FSO. Any disputed amounts denied by the Bank must be submitted to the FSO.

4.3.5.7. Leave or Travel: If the cardholder will be on leave or TDY during the time SOAs are normally distributed, the cardholder shall forward the purchase log and all supporting documentation to the billing official prior to departure. The billing official will send the billing account statement to the FSO within 15 days of receipt as usual. When the cardholder returns he/she must sign the original SOA and forward it to the billing official.

4.3.5.8. Cancellation of Government-wide Purchase Card account: Upon reassignment, separation, retirement, etc., a cardholder shall surrender the Government-wide Purchase card to the billing official at least 30 days prior to departure. The billing official will complete a destruction notice/send e-mail to the Installation Purchase Card Program Manager stating all transactions (charges/credits) have cleared the Bank, the card has been destroyed and request cancellation. The Installation Purchase Card Program Manager will cancel the account with the Bank within 14 days and document the file. At the discretion of the Installation Purchase Card Program Manager, close-out surveillance may be required prior to cancellation of accounts.

4.3.5.9. Security: The cardholder will safeguard the purchase card and account number at all times. When the purchase card is not being used, it shall either be carried on the cardholder's person (in wallet or purse) or secured in a locked container. **A cardholder shall not allow anyone to use his or her Government purchase card or account number.** A violation of this trust shall result in immediate termination of card privileges with the potential for subsequent disciplinary action.

4.3.5.10. Lost or Stolen Cards: Immediately notify the Bank and the billing official in the event a purchase card has been lost or stolen or if the cardholder suspects the account number has been compromised in a fraudulent manner. The Bank may be notified 24-hours a day.

4.3.6. Financial Services Offices (FSO).

4.3.6.1. General: The FSO is responsible for providing training on financial assistance, account reconciliation and confirmation, certification procedures, and the appropriate use of funds to cardholders and billing officials. The FSO is also responsible for providing a certified funding document for each account established, assigning Master Account Codes, receiving and maintaining billing official statements, and certification of payment vouchers. The FSO also serves as the liaison between the installation and the paying office. For installations operating under the Auto-

mated Purchase Card System (APCS), procedures in the APCS Purchase Card Payment (PCP) Users Manual shall be followed.

4.3.6.2. Funding document (See [attachment 6](#)): The Government-wide Purchase Card Fund Cite Authorization Document, AF Form 4009, is to be used to designate the accounting classification to be charged at the time of payment for all purchases made by cardholders assigned to the respective account. A funding document with zero dollars may be established in order to designate a Master Account Code for Contingency Contracting Officers who will be purchasing in support of contingencies or exercises.

4.3.6.2.1. The FSO will assign a Master Accounting Code (6 alpha/numeric character) for each funding document established by a billing official. A billing official may have multiple funding documents if different accounting classifications are required, however; each funding document may only have one fund cite. Each funding document issued must be assigned a different Master Account Code. The Master Account Code assigned remains active on the account for the life of the account and will be carried forward on each fiscal year's funding document. The FSO will maintain a Control Log of the Master Account Codes issued to billing officials.

Master Account Codes Structure:

Positions 1-2 are the installation's IAPS Site Code, i.e., 20.

Positions 3-6 are sequentially assigned alpha/numeric numbers (Example: 20A123).

4.3.6.2.2. Document numbers (8 alpha/numeric characters) are assigned to control each funding document. The document number includes the 6 character Master Account Code, preceded by the 2 position fiscal year.

Document Number Structure:

Positions 1-2, are the current fiscal, i.e., 01

Positions 3-8 are the Master Code above.

Example: 0120A123

4.3.6.2.3. The funding document may be issued on a quarterly or yearly basis. In most cases, the AF Form 4009 expiration date is annual (1 October through 30 September). Any other expiration date should be coordinated with the Base Contracting Office and Financial Analysis.

4.3.6.2.4. The FSO will also provide training for maintenance, reconciliation and approval of monthly statements, as well as the process related to vendor payment.

4.3.6.2.5. Limit fund cites to the funds supporting the operation of the organization to which the funding document is issued. Funding documents may not be issued that would result in "cross disbursements" or "for others"

4.3.6.2.5.1. If O&M funds are used, use the predominant EEIC that applies to the majority of the purchases to be made on the account. If there is no predominant EEIC, use 61950. (Not applicable to accounting classifications not requiring an EEIC.) Authorized medical logistics personnel will use MDD fund cites and process purchases through MEDLOG to appropriately expense issues to O&M funded activities.

4.3.6.2.6. The Resource Advisor must certify funds availability on the funding document. The funding certification is a qualified certification. The certification is accomplished at the time the funding document is issued and it does not have to be re-certified each quarter. If funds are not available, notify the billing official that purchases cannot be made on the account until notification is received that funds are available.

4.3.6.2.7. Recording commitments. The quarterly commitment amount will be recorded in either the General Accounting and Finance System (GAFS) or the Central Procurement Accounting System (CPAS). At the beginning of the second, third, and fourth quarter, increase the existing amount by the quarterly commitment amount shown on the funding document, as applicable. See the payment office procedures in paragraph 4.4. below for de-commitment and obligation recording.

4.3.6.2.8. Centrally Managed Allotment (CMAs). Funding documents are required for cards that make purchases that are paid from CMAs such as subsistence-in-kind (SIK) purchases from the commissary. The FSO will establish a master account code for these funding documents and verify that the cite is correct. No fund certification is required.

4.3.6.3. Fiscal Year End Close-out Procedures:

4.3.6.3.1. Funding documents will be issued with an expiration date of the last day of the fiscal year (September 30, XXXX). This will allow continued use of the card with full funding at all times.

4.3.6.3.2. Estimating Obligations for September. On or about September 1, the FSO will begin to coordinate with each billing official for each account to determine the amount to be obligated for purchases expected to be made during September. The estimated amount should include any purchases that are unbilled as of the August bill, planned purchases to be made during September, and the amount of any unresolved disputes. These estimates should be provided to the OPLOC or paying office not later than 8 business days prior to the end of the fiscal year. Adjustments to the estimated amounts may be needed and are authorized as required.

4.3.6.3.3. Recording Of Obligations. Upon receipt of the estimated amounts of obligation for September, OPLOCs and paying offices will immediately begin closing out the AF Form(s) 4009 by de-committing the remaining balance and recording an obligation in the amount of the estimate provided by the FSO. If an estimate has not been received by September 25th, the OPLOC will de-commit the remaining balance and record an obligation for the remaining balance of the AF Form 4009. Obligations for September may be recorded using the BPA call process or by establishing a Miscellaneous Obligation Requirement Documents (MORD) for each account. The OPLOC will provide the September obligating document reference number to the FSO for use with the September invoice and for any prior year charges received after the September invoice.

4.3.6.3.4. Liquidation of the September Obligation. When the electronic billing file is received by the FSO, the FSO will process the payment in October. certify the payment citing the funds on the obligating documents (BPA or MORD). If the amount of obligation is insufficient to cover the amount of the payment, the FSO must obtain necessary funding to either increase or record the amount on a Miscellaneous Obligation Reimbursement Document (MORD).

4.3.6.3.5. Liquidation of Prior-Year Obligations. When an invoice is received, the FSO may not know that there are prior year charges included in the gross amount of the invoice. The FSO should follow Pay and Confirm procedures as defined above and certify the invoice/voucher for payment citing current year funds. Based on the date the item was charged, the FSO will cite the appropriate fiscal year. If any corrections are required, the billing official will then be responsible for providing detail purchase level transaction records showing a date of purchase of September 30 or earlier to support any fiscal year adjustments. The FSO will use the detail transaction to support preparation of a SF 1081, Voucher and Schedule of Withdrawals and Credits, to make the fiscal year adjustment. Submit the SF 1081 to the OPLOC for processing in the accounting system.

4.3.6.3.6. Close-Out of Prior Year Obligation Amounts. Estimated obligations for prior year charges remain recorded as an obligation until all prior year purchases have been billed and paid. The FSO, in coordination with the billing official, will determine when all prior year purchases have been billed and paid. The FSO will then notify the OPLOC to de-obligate any residual balance on the obligating document for the applicable account.

4.3.6.3.7. Establishing Funding Documents for the New Fiscal Year. As part of the close-out of the AF Form(s) 4009, FSOs should be coordinating requirements for new AF Form(s) 4009 for the new fiscal year with the billing officials. Although funding may not be available at the beginning of the new fiscal year or is only received in quarterly phased amounts, the new AF Form 4009 should be established with an expiration date at the end of the fiscal year. The MAC code assigned to the prior year funding document must be carried forward to the new funding document. A single funding document is required for all purchase card accounts established or carried forward into the new fiscal year. All accounts must be established or carried forward with only one funding document supporting purchases made by all cardholders assigned to that billing official.

4.3.6.3.8. Government-wide Purchase Cards funded by **MDD** do not require recurring issue-of-funding documents, funding document expiration dates, or establishment of a MORD. At the beginning of each fiscal year, the Base Medical Logistics Officer will provide the HCA written authorization for continued use of the AF Working Capital Fund-MDD fund cite by each authorized medical logistics Government-wide Purchase Card user.

4.3.6.4. Certification of the Invoice for Payment: Government-wide Purchase Card invoices will be paid using "Pay and Confirm" procedures. The FSO will designate a certifying officer to certify the monthly installation invoices for payment prior to receipt of the confirmation statements from the billing officials. (For detailed certifying officer procedures, see [attachment 5](#))

4.3.6.4.1. The FSO is the office designated to receive the invoice for the Government-wide Purchase Card program. The Installation Purchase Card Program Manager shall provide an electronic copy of the invoice to the FSO as soon as possible after receipt. This copy of the invoice has an imbedded date that will be used to determine the net pay date as required by the Prompt Payment Act (PPA).

4.3.6.4.2. Upon receipt of the official invoice, the FSO will verify that the amount remaining on each funding document is sufficient to cover the total amount of the invoice. The available balance may be recorded as an obligation on a call placed against the funding document, or may be recorded as a commitment as part of the quarterly commitment amount. An increase

to the commitment or call obligation amount must be posted if sufficient funds are not available on the funding document.

4.3.6.4.3. If the Master Account Code is not shown in the Accounting Code line on the invoice, the FSO will annotate the applicable funding document numbers for each account on the invoice and certify the invoice for payment on a “pay and confirm” basis. The FSO will contact the Installation Purchase Card Program Manager to update the cardholder’s account setup information, to include the Master Account Code.

4.3.6.4.4. All invoices must be certified for payment and submitted to arrive at the financial services office not later than 15 days after receipt.

4.3.6.4.5. The FSO will not reconcile billing official certified SOAs with invoices paid prior to certifying the invoice for payment.

4.3.6.4.6. Cardholders and billing officials will verify the statements and resolve any irregularities through the dispute process. Disputes will be resolved between the cardholder and the vendor to the maximum extent possible. A Questioned Item bank form (provided by the bank) will not be prepared for disputes that are less than 45 days old from the date of receipt of the statement containing the disputed charge(s). Do not adjust the invoice for disputed items. Items requiring a Questioned Item will be prepared for disputes per paragraph 4.3.5.6.

4.3.6.4.7. The FSO will retain a copy of the certified invoices. Upon receipt, the FSO will attach the billing official’s certified Statement of Account to the retained invoice copy and maintain the certified invoice and SOA.

4.3.6.5. Cancellation of Billing Official’s or Cardholder’s Account:

4.3.6.5.1. Upon reassignment, separation, or retirement, the billing official must turn in his/her funding document to the FSO. If a new billing official is being assigned, a replacement funding document may be issued to the new billing official. The replacement funding document may be assigned the same Master Account Code if the fund cite remains the same and the new billing official agrees to assume responsibility for the pre-existing funding document. All cardholder accounts remain active under the new billing official and those cardholders will continue to be able to make purchases.

4.3.6.5.1.1. If the new funding document is issued with a different Master Account Code, and the fund site remains the same, the cardholder’s account setup information must be updated with the new Master Account Code. After updating the Master Account Code, all cardholder’s accounts will remain active under the new billing official.

4.3.6.5.1.2. If a new funding document with a different fund cite is issued to a new billing official, all cardholders assigned must establish new accounts with the new Master Account Code. The departing billing official must close and reconcile their account with the FSO. All cardholders assigned to the old account must turn in their cards.

4.3.6.5.2. Upon reassignment, separation, or retirement, the cardholder must surrender his/her card(s). The billing official shall request the FSO to adjust funds authorized on the funding document if necessary. Normally, if another cardholder is assigned to replace the previous cardholder, an adjustment should not be necessary.

4.3.7. Billing Errors and Disputes: CSQI amounts which are denied by the Bank will be processed and paid separately. Billing officials must identify the original invoice on which the disputed item was originally billed. The billing official forwards the CSQI for the denied dispute to the FSO for payment certification. The FSO will ensure funds are available, prepare and certify payment voucher citing the appropriate fund cite, and forward the CSQI and payment voucher to the paying office for payment.

4.3.7.1. The FSO shall not process payments for denied disputes with current invoices. All payments for denied disputes must be processed separately from the normal monthly invoice.

4.3.7.2. The FSO shall charge funds used on the original invoice.

4.3.8. Purchase Card Rebates: During the year, the Bank provides rebates, in the form of credits to the billing accounts, based on sales and prompt payment. These rebates will be returned to the billing official and cardholder accounts and shall be processed as an appropriation refund. Rebates attributable to accounts closed during the rebate cycle will be returned to the servicing FSO for appropriate redistribution.

4.3.9. Chief of Supply (COS): The COS is encouraged to delete stock levels of commercial items but use discretion to accommodate local circumstances. The COS informs base activities which types of categories of commercial items will no longer be stocked to enable the base activities to procure the items through commercial sources. For installations that use Logistics Management Control Activities (LMCAs), cardholders may contact LMCA instead of the COS and the LMCA has the responsibility assigned to the COS above.

4.3.10. Communications Squadron: The squadron assists users to identify Communications and Information needs and develops, obtains, and implements technical solutions for user requirements. The Communications and Information Officer receives the requirement from the requesting organization, checks the base Communications and Information Blueprint for possible Government-wide Purchase Card history on existing solutions, devises and obtains a final technical solution, including a cost estimate, applying MAJCOM, local directives and applicable architecture. The Communications and Information Officer provides the requester with the final technical solution and sufficient information from which to make a decision to implement the solution and expend resources. Technical solution paperwork provided by the Communications and Information Officer should be attached to purchase log for these purchases. The requesting organization follows established local, MAJCOM, and Air Force procedures to obtain resources to implement and sustain the technical solution.

4.3.11. HAZMART: As described in AFI 32-7086, Hazardous Material Management, the HAZMART is a facility where Logistics (LG) personnel will stock, store, issue, and distribute hazardous material (HAZMAT) using the Standard Base Supply System.

4.3.12. Library: Command and FOA librarians identify mission-essential organizational information requirements to command and FOA budget offices. The library program is centrally funded so that contracts and orders are consolidated to reduce procurement costs. The Air Force defines mission-essential information resources as publications and services that directly bear on the functions, initiatives, and operations of Air Force agencies and that personnel must have on hand to carry out the organization mission effectively. The librarian certifies mission-essential purchases and functional commanders or division chiefs certify mission-essential publications with central appropriated funds.

4.3.13. Base Medical Logistics Officer: The Base Medical Logistics Officer assists users in the purchase and disposal of all medical materiel and equipment. Confirms assets are not available off-the

shelf, verifies the item is authorized for purchase by requesting activity in accordance with AFMAN 23-110, Vol 5, and is not required for purchase via an existing mandatory requirements contract.

4.4. Defense Finance and Accounting Service (DFAS) DFAS Operating Locations (OPLOCS) will continue to support government purchase card payments for non-Air Force customer accounts. The OPLOC/ Regional Accounting and Finance Office (RAFO) will also continue to provide disbursement support for all purchase card payments upon receipt of electronic funds transfer (EFT) data from the wing/ base/installation FSO. In certain circumstances, valid government purchase card transactions may not be recorded in the electronic billing file received in the FSO. In these cases, the OPLOC/RAFO will provide payment support. The FSO will prepare and process an "OS" MORD to authorize an obligation to be recorded in the Installation Accounting Purchasing System (IAPS). The OS MORD and a copy of the Billing Official Statement of Account must be forwarded to the Air Force Vendor Pay Branch as supporting documentation for any purchase card bills not paid via the Automated Purchase Card Payment System (APCS).

4.4.1. Prompt Payment Act All payments made on the purchase card are subject to the Prompt Payment Act.

4.4.2. Cost Distribution: Routine purchase card purchases should be charged to a single line of accounting without further cost distribution by journal voucher(s). Cost distribution is authorized for unusual situations such as collection of costs by ESP codes, appropriated fund support for morale, welfare and recreation, etc., in lieu of establishing additional funding documents and cards, and to transfer changes to the correct fiscal year funding document based on the date of purchase. To provide cost distribution, the billing official will prepare a Journal Voucher showing full accounting classifications to be credited and debited. The credit and debit amounts must be equal. Accounting detail should be kept to the minimum necessary for management purposes, and all distributions will be made at Program Summary Record (PSR) level. The cost distribution process cannot be used to distribute costs to other organizations except in unusual cases.

4.5. The Bank Card System: The following highlights the Bank's functions and responsibilities under the GSA contract

4.5.1. Training: The Bank will provide each organization with training materials, such as guides and videotapes, at no cost. Examples include: Installation Purchase Card Program Manager Guide and Training Videotape; Cardholder Guide and Training Videotape; Billing Official Guide; Designated Billing Office Guide and Training Videotape; and Program Overview Videotape.

4.5.2. Bank Forms: The Bank will provide each Installation Purchase Card Program Manager with sufficient copies of all bank forms (e.g., accounts set-up, maintenance, cancellation, dispute, etc). The Bank will accept the forms in any media (e.g. hard copy, fax, electronic) requested by the organization.

4.5.3. Emergency Account Set-up: The Bank will set-up emergency cardholder/billing official accounts within 24 hours and send the cardholder the purchase card within 48 hours of the receipt of a request from the Installation Purchase Card Program Manager. The account set-up information may be electronically transmitted to the Bank.

4.5.4. Card Distribution: The Bank will mail the purchase card to the cardholder or designated distribution point within 5 work days of receipt of a request from the Installation Purchase Card Program Manager (or within two work days if electronically transmitted to the Bank).

4.5.5. Replacement of Lost or Stolen Cards: The Bank will replace lost or stolen cards within 24 hours after the loss is reported to the Bank (Monday through Friday). For international card replacement, the Bank will replace lost or stolen cards within 48 hours.

4.5.6. Card Reissue: The Bank will reissue purchase cards every 24 months to each cardholder. The Bank will send to each Installation Purchase Card Program Manager a card reissue report which lists each card scheduled for renewal at least three months prior to the expiration date of each Government purchase card.

4.5.7. Cardholder Statement of Account: Within five work days after the end of each month billing cycle, the Bank will send each cardholder a Statement of Account which lists all transactions made during the current cycle.

4.5.8. Official Invoice: Within five work days after the end of the billing cycle, the Bank will make available an official invoice to the designated billing office as indicated by the Installation Purchase Card Program Manager.

4.5.9. Reports: Billing official ad hoc reports are available through queries of the vendor bank's automated system.

4.5.10. Foreign Draft Service This service allows account holders the ability to issue drafts in foreign currency at locations where charge cards are not accepted.

4.5.11. Customer Service: The Bank will provide dedicated customer service and billing adjustment personnel support to both domestic and international cardholders 24 hours per day, 365 days a year. These services include, at a minimum, transaction authorization and verification, reporting of lost or stolen cards, cardholder account inquiries, and account maintenance.

4.6. Form Prescribed

Air Force Form 4009, *Government Purchase Card Fund Cite Authorization*

LAWRENCE J. DELANEY
Assistant Secretary of the Air Force for Acquisition

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****Abbreviations and Acronyms***

AAFES—Army and Air Force Exchange Services
AFMETCAL—Air Force Metrology and Calibration Program
AFOSH—Air Force Occupational Safety & Health
AFSVA—Air Force Services Agency
A/OPC—Agency/Organization Program Coordinator
APC—Agency Program Coordinator
APOE—Aerial Port of Embarkation
ATCMD—Advance Transportation Control and Movement Document
BO—Billing Official (formerly called the Approving Official)
COS—Chief of Supply
CSQI—Cardholder Statement of Questioned Item
CSRD—Communication System Requirements Document
DAO—Defense Accounting Office
DAPS—Defense Automated Printing Service
DFAS—Defense Finance and Accounting Service
DMAG—Depot Maintenance Activity Group
DPSC—Defense Personnel Support Center
DSCP—Defense Supply Center-Philadelphia
DTS —Defense Transportation System
EEIC —Element of Expense/Investment Code
EFT—Electronic Funds Transfer
EPA—Environmental Protection Agency
ESP—Emergency and Special Program Code
FAMS—Fuels Automated Management System
FAR—Federal Acquisition Regulation
FOA—Field Operating Agency
FOB—Free on Board
FSO—Financial Services Office
FSS—Federal Supply Schedule

FPI—Federal Prison Industries

FTS—Federal Telecommunications/Telephone System

GSA—General Services Administration

GSD—General Support Division

HCA—Head of Contracting Activity

IAPS—Integrated Accounts Payable System

IMM—Integrated Material Management

LMCA—Logistic Materiel Control Activity

MEDLOG—Medical Logistics Computer System

MDD—Medical Dental Division

MICAP—Mission Capable

MILSTRIP—Military Standard Requisitioning & Issue Procedures

MORD—Miscellaneous Obligation Reimbursement Document

MSC—Military Sealift Command

MWR—Morale, Welfare, and Recreation

NIB—National Industries for the Blind

NISH—National Industries for the Severely Disabled

MOMEDLOG—Mobile Medical Logistics Computer System

OPLOC—Operating Location (DFAS)

RAFO—Regional Accounting and Finance Office

RSD—Reparable Support Division

RMAN—Recovered Material Advisory Notice

SBSS—Standard Base Supply System

SCO—Servicing Contracting Office

SOA—Statement of Account

SPOE—Seaport of Embarkation

TCMD—Transportation Control and Movement Document

TMDE—Test Measurement and Diagnostics Equipment

TMO—Traffic Management Office

VA—Department of Veterans Affairs

VRU—Voice Response Unit

Terms

Activity Type Codes—Codes developed by and customized for each organization during the authorization process that alert the Bank to purchases that should be prohibited. The activity type codes are also encrypted on the magnetic strip of the card.

Agency Program Coordinator (APC)—The member on the SAF/AQC staff designated to the vendor Bank to serve as the liaison among the USAF, the vendor Bank, and the GSA contracting officer.

Air Force Working Capital Fund Medical Dental Division (MDD)—Non-apportioned division of the AF Working Capital Fund used to manage medical supply and equipment and purchases.

Billing Official (BO)—The official appointed in writing by the organizational commander who is responsible for the oversight of one or more cardholders. Must review each cardholder's monthly reconciliation of the Statement of Account (SOA) and transaction log.

Authorization —The process of verifying that a purchase being made is within the established cardholder limits. Authorization is done by the merchant at the point of sale through verification with the Bank.

Base Medical Logistics Officer—Officer appointed by the Director of Base Medical Services to account for and manage medical material and equipment purchases.

Billing Cycle—The period of time, usually 30 days, in which all accumulated merchant charges or any credits are posted by the Bank to the cardholders' accounts. The billing cycle period for the Air Force is from the 26th of each month to the 25th of the following month.

Cardholder —Person to whom an Government purchase card is issued for purposes of making purchases on behalf of his/her assigned organization.

Cardholder Statement of Questioned Items (CSQI)—The Bank form on which cardholders claim credit for disputed items which cannot be resolved with the vendor.

Chief of Supply (COS)—The COS is the installation supply accountable officer.

Communications and Information Officer (CIO)—The individual in the Communications Squadron who works with the user to devise, implement and approve the technical solution to meet their communications and information requirements.

Communications and Information System—An integrated combination of doctrine, procedures, organizational structures, personnel, equipment, facilities and communications designed to support a commander's exercise of command and control through all operational phases. It includes base visual information systems. equipment includes visual information support systems.

Defense Accounting Office (DAO)—The installation Defense Finance and Accounting Service office that provides accounting and paying services for an assigned organization.

Defense Supply Center-Philadelphia—Department of Defense agency with the responsibility for managing medical material and equipment for the Department of Defense. DSCP negotiates numerous contracts and decentralized blanket purchase agreements designed to employ industry standard "group buying" concepts that achieve "lowest delivered cost" for DoD medical facilities.

Dispute Office—The installation's Servicing Contracting Office (SCO) which assists the cardholders and the Bank in tracking and resolving disputed purchases/transactions.

Electronic Funds Transfer (EFT)—A process used to transfer payments of funds electronically. EFT is faster, more secure method of transferring funds versus using checks.

EPA Guideline Item—It is an item that is or can be made with recovered materials which is listed by the EPA in procurement guidelines and for which EPA has provided purchasing recommendations in a related Recovered Material Advisory Notice (RMAN).

Financial Services Office (FSO)—The Air Force Financial Services Office (office symbol usually is FMF) that provides direct customer service to an assigned organization and acts as the liaison among wing, and tenant organizations, and the Defense Finance and Accounting Services Operating Location (OPLOC).

Head of the Contracting Activity (HCA)—The person designated in the Air Force FAR Supplement 5301.601-91 (or authorized designee). The HCA designee (usually the Contracting Squadron Commander) issues written delegations of authority to individuals to make Government purchase card purchases.

Agency/Organization Program Coordinator (A/OPC)—This person, with the Servicing Contracting Office (SCO), is responsible for managing the installation's Government purchase card program including establishment, training, and surveillance. See also: Installation Purchase Card Program Manager

Government Purchase Card—Government-wide commercial purchase card, similar in nature to a commercial credit card, issued to authorized agency personnel to use to acquire and to pay for supplies and services.

Installation Purchase Card Program Manager—This person, with the Servicing Contracting Office (SCO), is responsible for managing the installation's Government purchase card program including establishment, training, and surveillance. See also Agency/Organization Program Coordinator.

MAJCOM/FOA/DRU Government Purchase Card Program Manager—The HCA's point of contact to manage the MAJCOM Government purchase card program and interface with the Government purchase card program coordinator at installations and the APC's at SAF/AQC (GSA calls this the Organization Program Coordinator).

Merchant Account Type (MAT) Code—The Bank categorizes each merchant according to the type of business in which the merchant is engaged, and the kinds of goods and services provided. The Bank then assigns each merchant a corresponding merchant type code. These codes are used as an authorized activity type code on an individual's card to flag those merchants that are unauthorized for that cardholder. The codes assigned to cardholders shall be tailored to reflect their duties and the mission of their organization. The merchant type codes are encrypted on the magnetic strip of the card.

Operating Location (OPLOC)—One of the Defense Finance and Accounting Service consolidated operating locations which provide accounting and paying services to DoD activities.

Reactivation—The activation of the Government purchase card privileges after suspension.

Reactivation Fee—A per-card fee of \$25 assessed to an ordering office (charged by the Bank against the account being reactivated) if reactivation after suspension is requested, not to exceed the number of cards assigned to the ordering office at the time of suspension.

Regional Accounting and Finance Office (RAFO)—PACAF consolidated operating location for providing accounting and finance services to their installations. The functions of local installation

accounting and finance offices were transferred to these regional centers.

Servicing Contracting Office (SCO)—The Servicing Contracting Office is the contracting activity responsible for local purchase support to the installation, including overall management of the installation's Government purchase card program.

Single Purchase Limit—The maximum amount authorized by a delegation of authority from the HCA for a single purchase on a Government purchase card. This limit cannot be exceeded unless a revised delegation of authority is issued by the HCA to raise the limit. A "single purchase," however, may include multiple items.

Statement of Account (SOA)—The SOA is a monthly listing of all purchases made by the cardholder and all credits authorized by the Bank.

Suspension—The process in which an ordering office is disallowed from making purchases with the Government purchase card due to delinquency or multiple pre-suspension actions.

Attachment 2

SAMPLE DELEGATION OF CONTRACTING AUTHORITY LETTER

MEMORANDUM FOR (*Cardholder's Name and Title*)

FROM: (*Name and Title of HCA designee*)

SUBJECT: Delegation of Contracting Authority for Government Purchase Card Use

You have successfully completed the mandatory Government Purchase Card training program. You are, therefore, authorized to obtain supplies and non-personal services and to pay for them using the Government-wide Purchase Card. Any single purchase may not exceed (*cardholder's single purchase limit*), nor may your total monthly purchases exceed (*cardholder's monthly limit*).

The supplies and non-personal services you obtain with the purchase card must be for official Government requirements and be consistent with your assigned responsibilities and your card purchase limits, including commodity restrictions, set by your billing official. This authorization does not exempt you from the requirement to obtain certain supplies from required sources of supply listed in Federal Acquisition Regulation (FAR) Part 8, or from other organizations which have been given exclusive contracting authority for that commodity or service.

All purchases using the purchase card shall comply with applicable laws and regulations, including but not limited to the FAR and AFI 64-117. If you purchase such supplies or services, you shall be subject to fines and adverse disciplinary action for misusing the purchase card.

Your billing official will periodically review your use of the purchase card. He/she may determine that you no longer need to use the card and cancel it. He/she may also confiscate your card or, in less severe cases, reduce your monthly purchase limit to \$0.00 until such a time that satisfactory remedial training has been accomplished. The types of violations which may result in cancellation or suspension of the account include but are not limited to: allowing someone else to use your card; failing to perform timely reconciliation; or failing to resolve disputed charges.

When you separate from (*insert name of activity*), through dismissal, retirement, transfer, or for any other reason, this delegation is automatically terminated and the purchase card must be returned to your billing official for destruction.

Attachment 3**SAMPLE TRAINING RECORD**

The original training record should be maintained by the billing official and a copy provided to the cardholder for their records.

1. I have received, read, and understand the Cardholder Instruction Guide.
2. I have received, read, and understand AFI 64-117, Air Force Government-wide Purchase Card Program, and the (*MAJCOM, if applicable*) operating instructions.
3. On (*date*), I received training by (*local contracting office*) on purchase card procedures. I understand how to properly use the purchase card to obtain supplies and non-personal services under micropurchase procedures. I understand that the card has restricted use and agree to abide by those restrictions.
4. I am aware of how the standards of conduct contained in DoD 5500.7 and DoD 5500.7-R affect my use of the purchase card.
5. I understand the reconciliation requirements and the disputes processing.

(*Cardholder signature and date*)

Attachment 4**GOVERNMENT PURCHASE CARD SURVEILLANCE GUIDE**

Surveillance is one of the cornerstones of a strong, viable purchase card program. It is imperative that an impartial review of accounts is conducted to ensure appropriated funds are being used correctly for valid organization requirements. As an aid to your surveillance reviews, questions such as these may be used to review accounts and document compliance with procedures associated with use of the government purchase card. This is not an all-inclusive guide. MAJCOM/FOA/DRUs or local installations may supplement this guide as needed.

This information (along with local supplemental questions) may be incorporated as an Air Force form by overlaying the information onto a AF Form 2519, *All Purpose Checklist* as an OVERPRINT.

Review of Billing Official Account**GOVERNMENT-WIDE PURCHASE CARD REVIEW**

1. Does the billing official have a Letter of Appointment signed by the organization commander/director which designates him/her as a billing official? Para [3.1](#).
2. Has the billing official received a minimum of 4 hours training from the Installation Program Coordinator on Air Force purchase card procedures ? Para [4.3.3.3.1.2](#).
3. If the billing official is a cardholder, is his/her cardholder account assigned to another billing official? Para [4.3.4.1](#).
4. Is the billing official's supervisor(s) a cardholder in any of the billing official's accounts? Para [4.3.4.1](#).
5. Does the billing official review each of their cardholder's statements each month? Para [4.3.4.1.2.1](#).
6. Has the billing official accomplished surveillance of each of their cardholder's accounts within the past 12 months? Para [4.3.4.1.2.1](#). & Para [4.3.3.6.1](#).
7. Does the billing official sign the monthly Statement of Account and forward to the FSO within 15 days after receipt from Bank? Para [4.3.4.1.2.3](#).
8. Does the billing official maintain copies of the monthly invoice in accordance with AFMAN 37-139? Para [4.3.4.1.2.4](#).
9. Does the billing official promptly notify the Installation Purchase Card Program Manager when cardholder accounts are cancelled? Para [4.3.4.1.3.1](#).
10. Has the billing official notified the FSO when adjustments to the funding document are required? Para [4.3.4.1.3.2](#).
11. Has the billing official notified the Installation Purchase Card Program Manager, quarterly, of the retired, separated, reassigned cardholders? Para [4.3.4.1.4](#).
12. Has the billing official notified the Installation Purchase Card Program Manager of any lost/stolen cards within 5 workdays of the loss/theft? Para [4.3.4.1.5](#).
13. If billing official has Convenience Check accounts within his/her account, are quarterly surveillance reviews conducted? Para [3.6.1.6](#).

14. Have any Convenience Check accounts under the billing official written checks for more than \$2,500? Para [3.6.1.7](#).
15. Does the billing official have a Convenience Check account in his/her name? Para [3.6.2.1](#).
16. Has the billing official notified the Installation Purchase Card Program Manager of any cardholder/check holder account procedures violations discovered? Para [4.3.3.4](#).
17. Does the billing official coordinate card dollar limits with the FSO and Installation Purchase Card Program Manager when cardholder accounts are established? Para [4.3.4.1.1](#).
18. Does the billing official maintain original supporting documentation for closed cardholder/check writer accounts IAW FAR 4.805(b)10)? Para [4.3.4.1.2.4](#).
19. Does the billing official coordinate with the FSO to determine when all prior year purchases have been billed and paid? Para [4.3.6.3.6](#).
20. Does the billing official coordinate with the FSO to establish funding document for the new fiscal year? Para [4.3.6.3.7](#).
21. Has the billing official been designated, in writing, as an Accountable Official by the unit commander, agency director, office chief, or their equivalent? [attachment 5](#), Para 2.b.
22. Was surveillance accomplished within 30 days following conclusion of cardholder contingency/exercise deployment? Para [4.3.3.6.4](#).
23. Did billing official participate in refresher training sessions or receive updated refresher training information? Para [4.3.3.3.1.2](#).
 - a. How many cardholder accounts under this billing official were reviewed by Installation Purchase Card Program Manager as a part of this annual review?
 - b. Do the cardholder accounts reviewed represent at least 25% of the billing official's total cardholder/check writer accounts?
 - c. Checklists for all randomly selected cardholder accounts shall be attached to this billing account annual review. (See checklist for Cardholders.)

Review of Cardholder/Check Writer Accounts

GOVERNMENT-WIDE PURCHASE CARD REVIEW

1. Does the cardholder have a letter delegating specified procurement authority from the Contracting Squadron Commander/Director of Contracting for the installation? Para [4.3.2.2](#).
2. Has the cardholder received a minimum of 4 hours training on Air Force procedures for using the purchase card? Has the cardholder participated in re-fresher training sessions or received refresher training material? Para [4.3.3.3.1.2](#).
3. Purchase Limits:
 - a. Does the cardholder have an open-market purchase limit which does not exceed \$2,500?
 - b. Does the cardholder have a \$25,000 limit for orders off pre-priced contracts and BPAs?

- c. Does the cardholder have a \$100,000 limit for purchases directly from the DAPS? Para [2.1.1](#), [2.1.2.3](#), & [2.1.2.4](#).
 - d. Does the cardholder have established monthly limits which are complied with? Para [3.2](#).
- 4. If the cardholder is required to use both appropriated and non-appropriated funds, does he/she have separate cards for each type of funds? Para [2.1.2.2](#).
 - 5. Are all purchases documented in the cardholder's purchase log? Para [4.3.5.3.1.1](#).
 - 6. Does the cardholder's log reflect documented authorizations required under AFI-64-117, Para [2.2](#) for any purchase requiring an authorization? Para [2.2](#).
 - 7. Were any construction services approved on an AF Form 332 and under \$2,000? Para [2.2.10](#).
 - 8. Did cardholder coordinate with their resource advisor or Base Contracting Squadron before acquiring repair services? Para [2.3.2](#).
 - 9. Were any unauthorized purchases made by the cardholder? (If answer is Yes, describe in "Comments" at the end of this review.) Para [2.4.1](#) through [2.4.13](#).
 - 10. If cardholder is a Contingency Contracting Officer and the card was used in place of the official government travel card, were the reasons documented in the cardholder's purchase log? Para [2.6.1](#).
 - 11. If the cardholder is a Contingency Contracting Officer and open-market single purchases were made over \$2,500 (up to \$200K), was a written order (SF1449 or SF44) issued to support the purchase? Para [2.6.5](#).
 - 12. If cardholder was deployed for extended periods, did cardholder reconcile his/her statement and transmit by facsimile to billing official within established time period? Para [2.6.6](#).
 - 13. If cardholder is in a Geographically Separated Unit (GSU), were documentation and reconciliation requirements met within established time periods? Para [2.7](#).
 - 14. If cardholder obtained EPA Guidelines Items which did not meet EPA minimum recovered material standards, is a written determination, approved by the cardholder's squadron commander or equivalent, on file in the cardholder's organization? Para [2.10.2](#).
 - 15. Convenience Check Accounts:
 - a. Is the checking account maintained under a separate "cardless" account? Para [3.6.1.5](#).
 - b. Have any checks been issued for more than \$2,500? Para [3.6.1.7](#).
 - c. Are the check administrative costs (1.7% of the face value of the check) accounted for in the check writer's purchase log? Para [3.6.1.9](#).
 - d. Are internal controls established to avoid duplicate payments for any checks which are mailed? Para [3.6.1.10](#).
 - e. Does check writer capture all necessary TD1099 data for IRS reporting? Para [3.6.1.12](#).
 - f. Are checks stored in locked containers when not in use? Para [3.6.1.13](#).
 - g. Have any checks been written by someone other than the checking account holder? Para [3.6.2.2](#).
 - h. Have checks been written for items to be delivered beyond 15 days? Para [3.6.4.1](#).

- i. Were checks written for any of the Prohibited Purchases in AFI 64-117, para 3.6.5., Para 3.6.5.1. through 3.6.5.7.
 - j. If Stop Payment actions were processed against any check, was the \$25 charge deducted from the funds available on the AF Form 4009? Para 3.6.6.2.
 - k. Does check writer account for checks written but not processed by the Bank when reconciling his/her account to assure adequate funds are available? Para 3.6.6.4.
16. Does the cardholder have a signed statement of training on file with the Installation Purchase Card Program Manager? Para 4.3.3.3.1.3.
17. Did the cardholder allow others to use his/her card? Para 4.3.5.1.
18. Were all items purchased available within the same or next billing cycle (unless vendor agreed to bill when shipment is made)? Para 4.3.5.2.2.
19. Did cardholder pay tax on any purchases? Para 4.3.5.2.3.
20. Did cardholder comply with requirements to purchase items IAW FAR Part 8 (FPI, NIB/NISH)? Para 4.3.5.3.1.3.
21. Did cardholder rotate sources when placing repeat orders? Para 4.3.5.3.1.5.
22. Did the cardholder document all telephone and mail orders in their purchase log and annotate log when delivery was received? Para 4.3.5.3.3.4.
23. Does cardholder maintain supporting documentation and purchase logs IAW FAR 4.805(b)(10)? Para 4.3.5.4.1.
24. Does cardholder reconcile, sign, and forward account statements to the billing official within the established time periods? Para 4.3.5.5.5.
25. Does cardholder follow the procedures for submitting Cardholder Statement of Questioned Items (CSQI)? Para 4.3.5.6.
26. If cardholder will be TDY or on leave, does he/she forward their purchase log and supporting documentation to the billing official prior to departure? Para 4.3.5.7.

COMMENTS: *(This area may be used to provide information on the overall condition of cardholder account. Please address good areas, any problems found, and any actions taken as a result of this review.)*

(The Billing Official, Installation Purchase Card Program Manager, or MAJCOM/DRU/FOA may want to establish some indicator to define the overall condition of the Cardholder's account, such as Outstanding, Excellent, Satisfactory, Unsatisfactory, and provide definitions of what each rating represents. This is optional.)

(If violations of procedures are discovered during the surveillance, the Billing Official should include a RECOMMENDATION describing what should be done to prevent a recurrence of the violation.)

Attachment 5

CERTIFYING OFFICER AND ACCOUNTABLE OFFICER REQUIREMENTS FOR THE GOVERNMENT PURCHASE CARD

1. Background. DoD policy requires the appointment of Certifying Officers in accordance with Title 31, United States Code, section 3325. Certifying Officers are pecuniary liable for erroneous payments resulting from performance of their duties in accordance with Title 31, United States Code, section 3328. Further, it is DoD policy that other officials involved in authorizing payments are accountable, and that these Accountable Officials shall be pecuniary liable for erroneous payments resulting from negligent performance of their responsibilities. DoD guidance is provided in DoD Financial Management Regulation, Volume 5, Chapter 33.

a. Certifying Officers are responsible for certifying that payment vouchers are correct and proper for payment.

b. Accountable Officials (who include the Installation Purchase Card Program Managers, Billing Officials, Cardholders, Resource Advisors, and Automated System Administrators) are responsible for attesting to the accuracy of information and data provided to the Certifying Officer in support of the payment to the bank. Unit commanders, agency directors, office chiefs, or their equivalent, will designate Accountable Officials in writing to identify the pecuniary liability for erroneous payments that may result from the negligent performance of Accountable Official duties.

2. Responsibilities and Certification Statements.

a. **Purchase Card Certifying Officers.** Each Air Force Financial Services Officer (FSO) will appoint the Certifying Officer, and an alternate, for certifying payments to the paying office (Disbursing Officer) for installation invoices/ billing statements. (See below for a sample copy of the appointment letter.) The Certifying Officer is responsible for the accuracy of payments, including the proper citing of appropriations or other funds, certified to the paying office and disbursing officer. Certifying Officers are liable for any illegal, improper, or incorrect payment processed by the Air Force as a result of any inaccurate or misleading certification. A Certifying Officer will not approve as proper for payment any charges, which were known to be fraudulent or known to be made by an unauthorized Cardholder. Suspected improper payments should be reported immediately, however payment should still be made to the financial institution (see paragraph c for further instructions). Since payments are to the financial institution, the certifying officer is responsible for certifying the legality and accuracy of the information pertaining to the amount owed the financial institution, not for the total propriety of all the purchases made for the billing period. Every purchase made by an authorized cardholder using an authorized card creates a legal obligation of the government, even if it is in violation of public law or if it exceeds fund availability. In the event a Billing Official authorizes a purchase or a Cardholder exceeds his/her limit the invoice must be paid and sufficient funds must be obtained from the responsible fundholder.

(1) A Certifying Officer may be relieved from liability if the certification was based on official records and the officer did not know, and by reasonable diligence and inquiry, could not have discovered the correct information. For example, if a cardholder loses the card and fails to make the required notification, and unauthorized purchases are made, the Certifying Officer may be relieved from liability. Also, liability will not be assessed, in most cases, when (1) the obligation was incurred in good faith, (2) no law specifically prohibited the payment; and (3) the United States Government received value for payment.

(2) Using “pay and confirm” procedures, the Certifying Officer will certify the invoices for payment prior to receipt of the statements from the Cardholders and Billing Officials. This certification will be performed as soon as available after receipt of the installation-level billing.

(3) Guidance for the “pay and confirm” policy is contained in DoD Purchase Card Reengineering Implementation Memo #3, Streamlined Financial Management Procedures. The memo states that “...the Department and its Components shall implement a “pay and confirm” process whereby payment of invoices will be made promptly subject to follow-on verification of receipt and acceptance of goods

(4) The Financial Services Office is the designated billing office for each installation. Each month, the installation summary billing will be downloaded as soon as possible after the end of the billing cycle. The Installation Purchase Card Program Manager (Installation Purchase Card Program Manager) may be the office responsible for the download of the official invoice if an agreement exists between the Installation Purchase Card Program Manager and the Financial Services Officer. The Financial Services Officer will date stamp the invoice to document the date of receipt in the designated billing office. The Certifying Officer will then certify the invoice for payment and forward to the designated payment office. As identified in the DoD Purchase Card Reengineering Implementation Memo #1, use the following format for the Certifying Officer statement.

Certifying Officer Statement

Date: _____

Pursuant to the authority vested in me, I certify that this invoice (billing statement) is correct and proper for payment, except as may be noted herein or on supporting documents.

Authorized Certifying Officer Signature

(5) As indicated above, the certification will include the date the billing statement is available or received in the Financial Services Office. The date will be used to determine the net pay due date as required by the Prompt Payment Act. If the Financial Services Office fails to annotate or record the date of receipt of the invoice, the date the invoice was available to the Financial Services Office will be used to compute the net due date. Upon receipt of the official invoice, the Certifying Officer will verify that the amount remaining on each funding document (as designated by the appropriate master account code) is sufficient to cover the total amount of the invoice. An increase to obligation amount must be posted if sufficient funds are not available on the funding document. If the Master Account Code is not shown on the invoice, the Certifying Officer will ensure the entry of the applicable funding document data for each account on the invoice and certify the invoice for payment on the “pay and confirm” basis.

(6) Certifying Officer must ensure that confirmation procedures and controls are effectively in place. Prior to certifying the current month’s invoice, either (1) all confirmation statement’s from the prior month’s invoice must be received within 30 days or (2) notice by the Installation Purchase Card Program Manager must be received that the cards with missing confirmation statements were suspended or cancelled.

(a) If Billing Officials' signed statements are not received within 30 days before the next billing cycle; the Financial Services Officer must take documented follow-up actions. (See below for a sample copy of the letter.) The Financial Services Officer (FSO) must notify the Installation Purchase Card Program Manager) in writing, identifying which Approving Officials have not complied. If confirmation is still not received, the Installation Purchase Card Program Manager will recommend to the Contracting squadron commander that the Billing Official be officially notified that the cardholder accounts' monthly limits have been reduced to a zero balance.

(b) When Billing Officials have indicated exceptions (other than questioned items or disputes) to the statements, appropriate and timely corrective actions must be taken. If the card is lost, the Installation Purchase Card Program Manager and the FSO should be notified immediately, and appropriate notification to the financial institution must be made. If fraudulent activities have been identified, the Installation Purchase Card Program Manager and investigative agencies should be notified immediately to begin an investigation. The FSO should follow-up on improper actions that have not been resolved, including ensuring that the appropriate investigative agencies have been informed.

(c) The Installation Purchase Card Program Manager and the Financial Services Officer should be notified immediately by any official or individual suspecting improper purchases. Both officials should take appropriate action to report or resolve the suspected activity and informing the appropriate investigative agencies. If a violation is suspected by anyone participating in the purchase card program, the individual should be encouraged to report their suspicions to the installation contracting officer, unit commander, or appropriate official for investigation. If the investigation confirms a violation of purchase card procedures, the installation contracting officer or unit commander will notify, in writing, the Cardholder's commander, with a copy provided to the Cardholder, billing official, and the FSO. The Installation Purchase Card Program Manager will take action to reduce the purchase limitation to a zero balance. The limitation will remain in effect until the incident has been investigated and documented by the Installation Purchase Card Program Manager to resolve that (1) restitution has been completed for any unauthorized purchases, (2) controls have been established to prevent reoccurrence, and (3) disciplinary actions on any violations were taken by the commander. Documentation will be maintained by the Installation Purchase Card Program Manager (Installation Purchase Card Program Manager) in accordance with paragraph 4.3.3.4. of this Air Force Instruction; commander resolves actions to be taken on any violations committed. If an unauthorized purchase is identified, the commander of the responsible Accountable Official must determine whether to convene or order an investigation under the authority of Chapter 6 and Appendix C of DoDFMR Volume 5.

b. **Purchase Card Accountable Officials.** Accountable Officials are accountable and pecuniary liable for erroneous payments that result from inaccurate information and data, including designation of the proper appropriations provided to the purchase card certifying officer, if the erroneous payment is the result of negligence relative to performance of assigned duties. Pecuniary liability for Accountable Officials includes responsibility for erroneous payments that result from information, data, or service that was negligently provided to the certifying officer. Pecuniary liability will be for the full amount of the erroneous payment up to one month's compensation. Installation Purchase Card Program Managers, billing officials, cardholders, and system administrators are the purchase card Accountable Officials, and will be designated in writing by the unit commander, agency director, office chief, or their equivalent. (See

below for a sample copy of the Accountable Official Appointment Letter.) These individuals will acknowledge their designation and understanding of their responsibilities as Accountable Officials. Cardholders and Billing Officials must ensure purchases are authorized in accordance with guidance contained in this AFI.

(1) Billing Officials, and alternates, are designated as Accountable Officials to sign the appropriate statement certifications. Each month, the Billing Official will obtain and review each of their cardholder's statements and the Billing Official Account Statements. The Billing Official is responsible for ensuring that established dollar amounts are not exceeded, and, as an Accountable Official, shall forward the certification statement to the Certifying Officer, for appropriate actions. All transactions should be verified as appropriate, given the duties of the Cardholders and the mission of the unit. Signed statements must be received in the Financial Services Office within 30 days. Per the DoD Purchase Card Reengineering Implementation Memo #1, use the following format for billing official (as an Accountable Official) statement.

Billing Official Statement (as Accountable Official)

Date: _____

I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated thereon or on supporting vouchers, and that the payment is legal, proper and correct, except as may be noted herein or on supporting documents.

Authorized Billing Official Signature

(2) Cardholders are also designated as Accountable Officials and must sign the appropriate account activity certifications. Cardholders must ensure purchases are authorized in accordance with guidance contained in this AFI. A cardholder's responsibility includes, as a minimum, reconciling the billing account statement of the account activity with supporting documents. Upon receiving the billing account statement, the Cardholder must review the entire statement for accuracy, comparing each transaction with those recorded in the log. In addition, a Cardholder must sign a statement in the following format and forward it to the Billing Official.

Cardholder Statement (as Accountable Official)**Date:** _____

I certify that except as noted herein or on supporting documents, the purchases and amounts listed on this account statement:

- (1) Are correct and required to fulfill mission requirements of my organization.
- (2) Do not exceed spending limits approved by the Resource Advisor.
- (3) Are not for my personal use or the personal use of the receiving individual.
- (4) Are not items that have been specifically prohibited by statute, by regulation, by contract, or by my organization.
- (5) Have not been split into smaller segments to avoid dollar limitations.

Authorized Cardholder Signature

(3) Installation Purchase Card Program Managers are responsible for the day-to-day operations of the installation Government-wide Purchase Card program. These functions include the processing of purchase card applications; issuing delegations of contracting authority; establishing reports; and providing mandatory training and surveillance. The Installation Purchase Card Program Manager ensures program implementation is coordinated with the Financial Services Officer, including enforcing the confirmation of monthly billing statements. The sample format for the Accountable Official appointment letter is at Figure A5.2.

(4) Automated Information System Administrators are responsible for the operation and maintenance of automated system used to support the entitlement, certifying, and disbursing processes. Specifically, the AIS Administrator's responsibility is to ensure that the system operates in accordance with prescribed functional requirements and to maintain the integrity of the data and prevent unauthorized access to the data.

(5) In addition, Resource Advisors are responsible for the proper assignment of funding on an obligation document before the obligation is incurred, and for maintaining a system of positive controls.

(6) Certifying Officers must ensure that confirmation procedures and controls are effectively in place. Prior to certifying the current month's invoice, the FSO must ensure that the previous month's confirmations have been completed. The FSO, the Installation Purchase Card Program Manager, or the Contracting Squadron Commander should take the following actions on missing or questioned confirmation statements:

If Billing Officials' signed statements have not been received/confirmed within 30 days from the date of the statement, the Financial Services Officer must take documented follow-up actions. (See Figure A5.1. for a sample copy of the letter.) The FSO must notify the Installation Purchase Card Program Manager in writing, identifying which billing officials have not complied. If confirmation is still not received after 60 days (normally the end of the second billing cycle), the FSO will officially notify the Installation Purchase Card Program Manager, the Billing Official, and the appropriate commander. The Installation Purchase Card Program Manager

will then direct action to complete the confirmation process and, if necessary, coordinate with the bank to voluntarily close the billing official's account. If the confirmation is not completed after 90 days, the Comptroller or Wing Commander will take appropriate action to resolve the unconfirmed accounts. When the confirmation is completed, the FSO will notify the Installation Purchase Card Program Manager that the signed statements were received and will take action to re-activate the accounts to the appropriate funding levels.

Figure A5.1. Sample Appointment Letter.

(For Accountable Officials)

(Use Appropriate Letterhead)

MEMORANDUM FOR (Insert Accountable Official's Name)

SUBJECT: Designation As Purchase Card Program Accountable Official (Billing Official, Cardholder, Installation Purchase Card Program Manager, System Coordinator, or Resource Advisor)

1. You presently occupy a position wherein your duties include the functions of a purchase card program Accountable Official for purchase card billing statements. This memorandum is formal notification that you are hereby designated as a purchase card program Accountable Official to (Note: Insert location and address of Certifying Officer to whom certification will be made).

a. FOR BILLING OFFICIALS/CARDHOLDERS/Installation Purchase Card Program Managers: As a purchase card program Accountable Official, you will be accountable and pecuniarily liable for any erroneous payments that result from inaccurate information and data, including designation of the proper appropriations or other funds provided to a certifying officer, if the erroneous payment is the result of negligence relative to the performance of assigned duties. Pecuniary liability includes responsibility for erroneous payments that result from information, data, or service that was negligently provided to the certifying officer. Pecuniary liability will be for the full amount of the erroneous payment up to one month's compensation.

b. For SYSTEM ADMINISTRATORS: You will be responsible for the proper operation and maintenance of the automated system used to support the purchasing and certifying process. The administrator's responsibility is to ensure that the system operates in accordance with the prescribed functional requirements and to maintain the integrity of the data and prevent unauthorized access to the data.

c. For RESOURCE ADVISORS: You will be responsible for the proper assignment of funding on an obligation document before the obligation is incurred, and for maintaining a system of positive controls

2. In addition, you must become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have read Title 31, United States Code, sections 3325 and 3528, DoD Directive 7000.15, and Volume 5, Chapter 33 of the DoD Financial Management Regulation and understand your responsibilities and accountability as described therein. Additional guidance is included in Purchase Card Reengineering Implementation Memorandum #1: Certifying Officer Guidance—Change 1, dated 20 November 1998. In addition, you must complete

DD Form 577 Signature Card) for the disbursing officer described above. After completion, a signed copy of this appointment must be returned to me for approval.

(Unit Commander or Agency Director Signature)

ACKNOWLEDGEMENT

By signature hereon, I acknowledge my appointment as an Accountable Official . I have read and understand my responsibilities and accountability. I understand my right to request relief of liability for any payment I certify that is determined to be illegal, improper, or incorrect. I further understand that this appointment will remain in effect until revoked in writing by you or your successor.

(Accountable Official's Signature)

Figure A5.2. Sample of Non-Compliance With Billing Confirmation Procedures Letter.

(For Financial Services Officer)

(Use Appropriate Letterhead)

MEMORANDUM FOR (Insert Installation Purchase Card Program Manager's Name)

SUBJECT: Purchase Card Payment Internal Controls

I did not receive the required confirmation from billing officials in the following accounts:

In accordance with AFI 64-117, I cannot confirm the invoice for the billing cycle until I receive the required confirmation or you notify me that accounts listed above were suspended.

Please request the unit commanders to provide me confirmation from the approving officials. If not provided within 5 workdays, please suspend the accounts and notify me.

(Financial Services Officer's Signature)

AIR FORCE PURCHASE CARD FUND CITE AUTHORIZATION (AF FORM 4009)

[illegible]